The Post Looks at Newfoundland (P. 13-23)

THE FINANCIAL POST

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The Nation's Business

Put the Challenge Up to Individuals

The Canadian Manufacturers' Association should be able to do some nationally useful work at its annual meeting in Toronto next week, especially in its discussions on manpower and postwar planning.

Public opinion demands full employment after the war. That is the challenge that it puts up to the individual enterprise system.

Big schemes and dreams of postwar planning have their place. But the real test of how well the individual enterprise system can meet that challenge will be what the individual business operator, big and little, does about his own postwar planning.

Is he laying his plans today for new markets, new products which will maintain employment in his plant at or near present levels? Is he carrying his share of the load?

Unless the individual businessman has the imagination, the aggressiveness and the zeal to try, as far as possible, to achieve this goal for his own plant, no power on earth, and certainly no government magic, will do the job.

And if business fails to do the job, public opinion will demand that somebody else does it—which means government "enterprise" which means that Canada shall have started down the toboggan slide toward totalitarianism.

Putting up that responsibility to its members, making it crystal clear that they have to work out their own salvation and carry their own share of the load, is a vital job the CMA meetings should do.

Representing the main body of employers in Canada, the CMA findings on manpower—with respect to the workings of selective service, the compulsory transfer of "non-essential" labor, the effect of the military draft and enlistment on war production cannot be ignored by Ottawa and should lead to improved efficiency in the distribution of manpower.

It is most regrettable, however, that this national gathering of production men is not being used to hasten and smooth out the biggest job now facing Canadian industry—the conversion to new types of production both for the fighting and home fronts.

Here is a vast new production program to get going and the difficulties of adjusting to it swiftly will be almost as great as the original job of converting to war work three years ago; in some respects, even greater because of the worker and raw material shortages.

Hence, the decision of the Munitions and Supply Department to turn down the CMA's invitation to use this meeting for furthering war work, for informing and stimulating war contractors and getting the benefit of what these men from the factories have to say is unfortunate. Because of the importance of the work that could be done, the reasoning of certain M&S officials that taking part in such a conference would be a breach of the spirit of wartime travel restrictions is quite specious.

* * * *

REALISTIC VIEWS OF LABOR RELATIONS

Outstanding among many fine briefs submitted to the National War Labor Board is that which comes from a single company, one of Canada's biggest employers and an employer with broad experience with labor and labor legislation in several parts of the world.

This brief from the International Nickel Co. of Canada is a masterpiece of fairness and of realistic thinking. It reveals throughout a deep sense of responsibility to workers to the state and hence to its shareholders.

The attitude employed by some employers and some employer groups whenever confronted with the subject of labor relations is completely absent from the Inco representation. As to which approach better serves the interests of the war effort, of the peace to come, of the nation, of workers and of shareholders, there can be no question.

Main Inco recommendations are for establishment of a Dominion Labor Court presided over by three judges assisted by regional labor courts. Appeals would be allowed from regional courts to the national court.

Duties of the courts would be to enforce standards of conduct on management and workers; certify unions as appropriate collective bargaining agents, conduct referendums of employees, certify the officers of certified collective bargaining groups. The Court would also have jurisdiction over legal proceedings arising out of collective bargaining agreements, etc.

Uniform labor legislation throughout the Dominion is urged, by order in council under the War Measures Act now, and later, either by enactment of the provinces or by amendment of the BNA Act to give the Dominion exclusive jurisdiction in this field. While admitting that wages and working conditions are affected by local conditions, Inco declares: "It is no longer proper that the standards of conduct in labor relations and their enforcement should vary from province to province. These matters have become national in their character and effect and it is essential that they, like banking and criminal laws, should be uniformly established and enforced throughout the Dominion."

RESPONSIBILITIES WORK BOTH WAYS

The Inco standards of conduct for management and workers are as follows:

Management

—should not interfere in any way with employees joining or forming a union.

—should not contribute financial support to any labor organization. (In other words, no company unions.)

—should not refuse to bargain collectively with duly certified collective bargaining agency of employees.

Workers

—should not "prevent or interfere with, by force, threats, coercion, restraint or intimidation, an employee's enjoyment of his legal rights, or to intimidate his family, or any member thereof, picket his domicile," etc. (Inco would protect right of individual NOT to join a union.)

—should not strike until after a majority of those involved have voted to do so in a secret ballot conducted by a Labor Court.

—should not use the slowdown or the sitdown.

Inco would require that all labor organizations incorporate and special provision be made for reduced incorporation fees. Unions should be required to elect directors by ballot at each annual meeting, have an annual audit of books by an independent auditor and provide each member of the union with an annual statement of the union's financial position, a copy of which is to be filed with the Government. Inco would ban the closed shop.

In brief, the Inco submission wants to put labor-management legislation on an efficient, logical basis, take the whole matter out of the catacombs of prejudice and antiquity. On some points there will be difference of opinion, such as the proposed ban on "company" unions which would apparently also ban works councils which are held by managers and workers in many plants to have very real usefulness.

Such realistic, objective and balanced treatment of this tortured question is a real contribution to our way of life.

Directives Ease NSS Decisions

Retail Federation Takes Steps to Correct Cases of Unfair Transfers

Early days of application of the compulsory employment transfer order shows considerable confusion and moves made without apparent reason.

First order covered a number of miscellaneous service and retail establishments requiring registration of eligible employees by May 19. The second covered other retailers and set registration date at June 15.

Representations have been made to Ottawa authorities by retail and other groups most seriously affected with the primary object of securing greater fairness in the application of the orders. Already new directives have been sent to regional offices of National Selective Service and officials of the Canadian Retail Federation express themselves as "impressed by the co-operative attitude of Mr. MacNamara and his associates."

While a number of complaints have arisen among Toronto retailers, W. I. Hetherington, assistant Ontario regional superintendent, states that errors are mostly isolated cases. Sometimes one branch of an industry has a higher priority than an-

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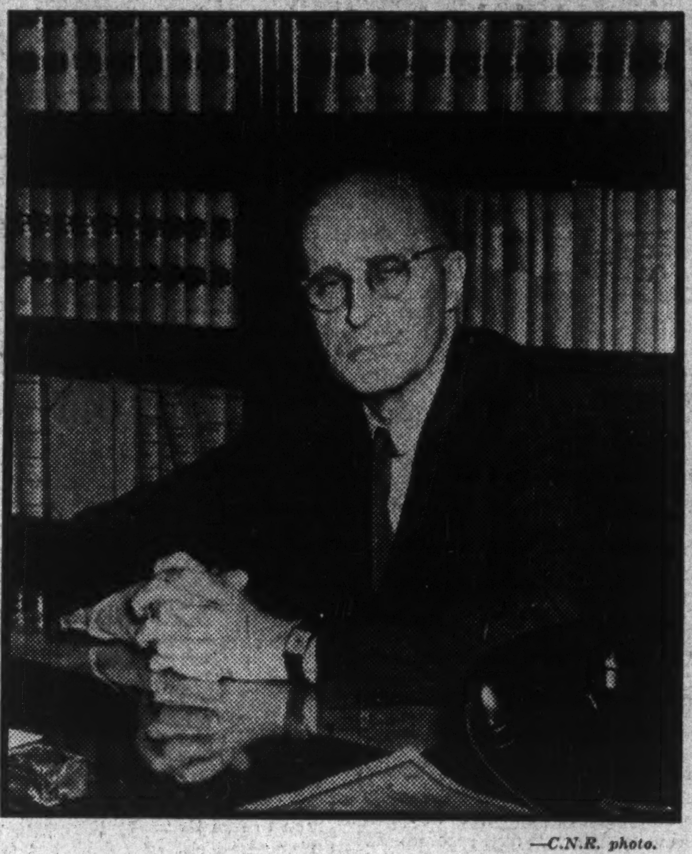
Goes to Highest Bench



—C.N.R. photo.

Mr. Justice Ivan C. Rand, tall, lean and scholarly, is the latest appointee to the bench of the Supreme Court of Canada. A New Brunswicker, he entered Mount Allison University, Sackville, with the idea of becoming an engineer. His teachers, impressed with his debating, persuaded him to study law instead. He took his LL.B. at Harvard in 1912, practiced for a time in the West, and returned to New Brunswick, where he was attorney-general in 1924-25. In 1926 he became regional counsel for the CNR at Moncton. Later he was also appointed commission counsel of the CNR with offices at Moncton and Montreal. He is 59 years old, a student of literature, fond of music, and has one son in the RCAF and another on the medical staff of the Army.

Mine Strike Across Line Hits Canada

Drastic Action Seen Necessary to Avert Coal Shortage in Dominion

This week's order by Coal Controller J. McG. Stewart, freezing all stocks of anthracite in Canada and all stocks of bituminous in Ontario and Quebec, was an emergency measure taken as a result of the strike of 500,000 U. S. miners.

But no matter how soon the miners return to work, the gloomy coal outlook in Canada is definitely darker because of the walkout, and it's likely that the long-range conservation program of this country will have to be stiffened.

Reason is that for 1943 Canada's coal requirements from the United States are being allocated on a monthly basis, being levelled out across the year. If we fail to get our quota in any one month—such as in the present month—there will be little hope of catching up.

Conservation Steps

Even before Mr. Stewart's freezing order—there was a similar temporary order last winter—coal dealers east of the Great Lakes were being advised to insist on delivery of at least 25% of bituminous coal with every anthracite order of nut, stove and egg. They were also being advised to deliver not more than 50% of the season's requirements at one time to any customer. Canadian coal experts were emphatic on the score that restrictions of this kind were justified by the threat of shortage which looms for 1943-44.

The present order provides that householders and other small consumers will be able to obtain sufficient anthracite or bituminous coal for cooking or other essential needs without a permit, and provision is made for the immediate delivery of coal to emergency stations.

Civilian Production Bans to be Relaxed?

While Immediate Prospects in Most Lines Not Bright, Supply Officials Are Weighing Needs, Re-examining Manufacturing Restrictions

By STAFF WRITER

OTTAWA—Despite reopening last week of the U. S. typewriter industry and the optimistic interpretation placed on a Washington interview with Hon. C. D. Howe, the prospect for any important immediate revival in production of durable civilian goods in Canada is not bright.

Basic fact is that both Canada and the United States are still suffering from a shortage of critical materials. Available Canadian supply of carbon steel has been cut sharply this month, for example. For the last half of 1943, Canada's overall steel supply (as now indicated) will be lower than heretofore. Copper and aluminum are still on the highly critical list and promise to remain there for a considerable time.

Next important fact is that Canada and United States are now in the transitory stage of their war production. It is still not clear what will be the outcome of the new production demands so far as various types of steel is concerned.

Three or six months from now the picture may be drastically altered for the better—may be worse.

Review Production Bans

However, officials charged with responsibility for civilian needs in Canada and the United States are busy examining in the greatest detail the present bans on production of consumer goods.

In the United States, this examination has permitted reopening of a number of plants where existing inventories had been frozen.

In Canada, freezing of inventories has been the exception not the rule, since Canada's closing-out program permitted most manufacturers to use up inventory before going out of production.

An exception to this in Canada is in electrical washing machines.

Four Canadian manufacturers are now engaged in a "Victory" production program of 12,000 washers which will be marketed through regular trade channels.

These will sweep together the existing parts inventories of the entire washing machine industry although only four concerns will do the actual assembly job.

No new authority for steel is involved.

Heavy Equipment

Apart from the farm implements, railway equipment and repair parts mentioned by Mr. Howe at Washington, the only important relaxation of civilian production controls which has occurred as yet in Canada is in regard to bathtubs.

Because of an acute shortage, Canada's bathtub program which had been cut back from 75,000 to 18,000 units has now been upped to 30,000. This is the standard old-fashioned bathtub on legs.

Another possibility which may materialize if Canada can get an O.K. from U. S. suppliers, is that some relief may be obtained for manufacture of electric stoves and heaters. The argument here is that with an acute wood and fuel shortage threatening it would be very good sense to increase use of electric heaters and stoves in areas where electric power supply is ample.

This question is now under discussion with U. S. authorities.

May Ease Orders

There is a good possibility that a score of miscellaneous items may be given more favorable consideration as a result of the present WPTB scrutiny. Such things as water tanks, animal stalls, chicken feeders, certain garage and auto repair equipment may be given a green light.

If corresponding items are placed on the production list again in the United States it will be much easier to get favorable consideration in Canada.

Shopping With Garfield

Weston's Name in Four More Transactions

Business writers have been kept on the jump lately recording the activities of W. Garfield Weston, Canadian-born "biscuit king," and British M.P.

In the last few days, items on the shopping list linked with Garfield Weston's name have included:

1—The J. R. Booth Co. Chaudiere mills near Ottawa.

2—National Biscuit & Confection Co. of Vancouver.

3—The palatial home of Austin C. Taylor, West Vancouver.

4—Withdrawal of a refunding deal on his original interest, George Weston Ltd., because he felt the deal was insufficiently supported.

5—Purchase of an interest in Western Canada Flour remains an unconfirmed rumor.

Plastic Industry

Garfield Weston is tremendously interested in the future of cellulose and plastics. Well-informed quarters state he had this in mind in acquiring control and ownership of the E. B. Eddy property in Hull, Que., and in seeking control of the Booth mill adjoining the Eddy plant at Chaudiere Falls on the Ottawa River.

The company now operating the Chaudiere Mills was established by the late J. R. Booth, known as the "lumber king" of the Ottawa valley. Some years ago it extended its interests to take in the manufacture of pulp and paper products. The plant in Ottawa has a daily capacity of 65 tons of sulphite pulp and 200 tons of groundwood pulp. Production of finished pulp products includes 70 tons daily of boxboard and 150 tons daily of hanging paper, kraft and fibre wrapping, wax and bag papers, book paper and writing paper.

Last year sales volume increased substantially, resulting in an increase in profit before taxes, but taxes increased in similar proportion so that profit after income was $17,200 compared with $13,023 in 1941.

In confirming the report of his efforts to purchase the Booth plant, Mr. Weston said he was looking to a closer industrial co-operation between Great Britain and Canada. Said he:

"We believe that in the postwar world there will be a great expansion of British interest in Canadian industry and that this may lead to the transfer of many British industries to Canada."

More Biscuits

It was also disclosed to The Financial Post that his company, George Weston Ltd., is acquiring National Biscuit & Confection Co., one of the largest enterprises of its kind in British Columbia.

In connection with the National Biscuit transfer, it is learned that L. H. Nicholson, who has been with the company for most of the 33 years it has been in business in Vancouver, will continue as president and managing director.

The company's first mortgage bonds still outstanding will be called shortly, The Financial Post is told. Of the $160,000 original issue, $56,839 was outstanding at the end of 1942. The bonds are callable at 102 on any interest date. In recent years, the company has been paying 7% dividends on preferred and common stock, requiring an annual outlay of $6,356.

The Weston organization owns a bakery in Victoria and the former Cowan-Dodson bakery in Vancouver, the latter operated by Weston's Bread & Cake (Canada) Ltd., of Winnipeg, wholly owned subsidiary of George Weston, Ltd. Other subsidiaries operate on the prairies, in eastern Canada, and the United States. Expansion in the Pacific coast states is said to be contemplated.

A New Home?

Reports that Garfield Weston had bought the Kew Beach home in Vancouver of A. C. Taylor, builder of the Lions Gate Bridge who is now in Washington on a wartime liaison job, and plans to make his home in Vancouver after the war have not been confirmed in Vancouver, but are circulating as fact in Ottawa.

Refunding Out

This week a meeting of shareholders of George Weston Ltd., at Toronto, called to consider authorization of additional preference shares to be used to redeem the funded debt of subsidiaries, was adjourned without a new date being set.

Mr. Weston, as chairman, told shareholders that he did not feel that the number of shares represented at the meeting was sufficiently representative to justify a decision to proceed immediately with the plans. It is understood that 9,007 preference shares out of 17,500 outstanding were represented at the meeting and sufficient of these would have voted in favor of the plan to assure its acceptance.

Proposals before the meeting were to increase the authorized

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Elson from Washington

Mr. Howe Goes to Washington

By ROBERT T. ELSON

● After attending the meeting of the Combined Production and Resources Board, of which Canada is a member along with Britain and the United States, Hon. C. D. Howe told me that there should be some easing in civilian supply in the Dominion in the next six months. This would, he indicated, mean increased production of farm implements, repair parts, essential tools and railroad rolling stock, including locomotives.

"We have been living on our capital too long," he said, "and we will have to ease up sufficiently to replenish stocks that have dwindled while we have built up our military capital."

Mr. Howe said Canada was well meshed in with the new "scheduling" plans—reported in this column two weeks ago—devised by Charles E. Wilson, executive vice-president of the War Production Board. The speedup in the production of aircraft engines and other components which Canada must import to maintain her aircraft industry will facilitate Canadian aircraft production. In Canada itself Mr. Howe said the change-over from the training program had limited the Dominion's output in numbers, but like the United States Canada is producing a greater weight of aircraft.

● The coal mining tie-up this week is only the immediate phase of the much larger crisis that faces the United States. It arises out of the battle against inflation in which the Administration has again been forced to retreat.

- **U. S. Coal Strike Symptomatic of Larger Crises**
- **Enlarged aircraft production goals in U. S. call for more and bigger planes**
- **F. D. R. makes Judge Byrnes "czar of czars" and chief of Washington's "little war cabinet**

You can't separate the labor and the inflation crises on the American home front. The price rise has fed labor grievances, given color to the complaint that while wages have been frozen prices have not. The rollbacks on certain essential products ordered by the Office of Economic Stabilization may hit a snag if the funds for subsidizing them are held up in Congress.

The reason for congressional hostility to subsidies is that some Americans haven't been completely sold on their own system of price control—and out in the middle west some farmers think that a little inflation is a good thing. The performance of the Office of Price Administration has been none too impressive and has resulted in suggestions that it be abolished altogether and its functions redistributed. Imagine a serious proposal advanced in Canada for dissolution of WPTB's functions in regard to food and their transfer to the Minister of Agriculture and you have the Canadian parallel.

Unauthorized strikes in the Chrysler plants in Detroit, in the big rubber factories in Ohio, are dis-

(Continued on page 2, col. 7)

U.S. Stresses Small Employer

Two Million Little Enterprises Nub of Job Question

By H. L. SOUTHALL
Staff Representative,
The MacLean Publishing Co., Ltd.

NEW YORK.—Current opinion on post war economic problems in the United States is swinging toward greater emphasis on the importance of the small business man to a free enterprise economy. Over the past few days, the writer has made extensive contacts with U. S. businessmen. The following salient points have been repeatedly stressed:

1. Postwar employment cannot be maintained on a sufficient scale unless small business can be made profitable and attractive. There are now two million of what might be termed "small employers" in the United States, against some 400 really large employers. (In Canada, 172 firms employ over 500 workers in manufacturing, over 24,600 employ fewer than 500.)

2. Since the war began, some 1,500 new materials have been developed for industry. Many are still secret, but a major task (particularly for trade and industrial publications) will be to get information about these materials and other technical advances into the hands of the two million small employers.

3. The U. S. now is near peak production in industry though the armed forces are understood to number somewhere in the neighborhood of 8 million persons. What fantastic production totals would be possible if all were employed?

4. Postwar planning must stress Production rather than Jobs. The politicians will all be promising Jobs for everyone and many uneconomic tendencies might develop merely to provide jobs. That will be no time to cut the working week or to discard the steam shovel for hand labor. High scale production, at economic cost, is the answer and a huge market for manufactured goods is the only solution.

5. It will be harder for many businesses to operate on their present scale on private capital which must earn a fair return than on government funds as many have been doing under wartime emergency.

6. Active steps must be taken to relieve the effects of a flood of wartime surplus stocks of clothing, machinery, building materials, transport equipment, etc.

7. It will take a 55% increase in normal peacetime volume of production in the U. S. to provide full employment after the war for all those now engaged therein. This can only be accomplished, according to the experts, by an increase of 50% in the purchasing power of the dollar, in terms of goods and services.

There are said to be 63 million people currently employed in the United States. There are approximately 20 million in war industry and sooner or later it is expected the total of the armed services will number 9,500,000.

This means that ending of the conflict will throw some 30 million persons who have been engaged either in armed services or making equipment and supplies for the armed services, into the lap of civilian industry—less any combat losses and others who will retire from industry with the ending of the war emergency.

Approaching Peak

These figures may be taken as reasonably accurate because production is rapidly approaching its peak and it is expected that the peak will be reached early this fall.

There is some temporary dislocation of employment through "cutbacks" on contracts where surplus production is beginning to make itself felt as in such items as tanks and ammunition. But the stress is merely being transferred to combat vessels, aircraft, and in the case of Russian supplies, to transport equipment such as trucks and locomotives. The Undersecretary for War has made it clear that industrial volume of production will continue to increase for a while, and therefore there is not expected to be any early reduction in requirement for labor and materials.

Cutting of some production schedules and rearrangements

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New Super-explosive Developed in Canada

By STAFF WRITER

OTTAWA.—Highlights of Canada's chemical and explosive program were made public this week by J. E. Donald, director-general of the Chemical and Explosives Production Branch, to a joint chemical meeting held in Montreal. Chief points disclosed by Mr. Donald:

1. The propellant required for use in rockets is being made in Canada's cordite plants originally designed for gun ammunition.

2. A new explosive plant has been brought into operation producing a super-explosive by a process which originated in Canada and has been further developed by joint Canada-U. S. action.

3. A chemical warfare plant has been established and is now ready for operation when required.

4. A plant for manufacture of polyvinyl chloride has just been completed and Canada will shortly be making synthetic butanol. Largely increased production of calcium carbide has been undertaken.

5. Supply now largely exceeds demand and Canada is currently faced with a general rearrangement of her program. Instead of plants running at maximum capacity the present rate of operations is "cruising speed."

6. Government expenditure on government financed explosive and chemical plants now amounts to $86.5 millions plus $2.5 millions for government-assisted projects.

7. As a result of work at the Beloeil plant of C. I. L., the capacity of T.N.T. plants from existing equipment has been doubled.

8. Wood pulp has replaced cotton linters as a source of cellulose at explosive plants. This has resulted from a joint Canada-U. S. effort. The work done is expected to prove highly valuable in the postwar economy.

9. A Canadian plant, for manufacturing anhydrous ammonia with natural gas as a basic raw material, produces ammonia at costs believed to be as low or lower than any other ammonia producer.

10. Canada is erecting an isomerization unit for manufacturing high octane aviation fuel—the first plant of its type to be installed in North America.

MEN'S SHOP
FINE APPAREL FOR MEN

Time to Relax!

MEN'S SPORTS SHIRTS

Yes, gentlemen—relaxation is good economy these days, and here are shirts just *made* for taking it easy. They come with smart deep convertible collar and two handy pockets in attractive plain shades of Tan, Blue and Green, or in good-looking contrasting check patterns. Sizes Small, Medium and Large. In cotton broadcloth at **2.50** each; in cotton poplin at **3.50** each.

Similar styles in smooth, hard-wearing spun rayon at **4.00.** Others at **5.50** and **6.00** each.

The Men's Shop
Civil and Military Outfitters
Cor. Bay and College Sts.

EATON'S - COLLEGE STREET

The War and Business

By BRUCE MacKINNON

Torpedo Economics

Maritime fishermen are convinced they have the reason for the apparent immunity of fishing vessels from submarine attack. Their solution: That torpedoes are worth $18,000 to the Germans, a figure considerably higher than the value of a great many of the fishing boats that would make relatively easy targets.

You can argue with the $18,000 figure for the cost of German torpedoes, (about $10,000 is an accepted figure over here under quantity production), but they are undoubtedly very costly, particularly after they have been brought by submarine across the Atlantic. The Maritimers believe that the subs would not risk surfacing to shell a fishing boat because the fishing grounds are too heavily patrolled by air.

* * *

Three-dollar Radios?

According to a U. S. source, more than one U. S. radio company is planning to enter the postwar radio field with low price radios, depending on replacement orders for tubes, etc., to make their profits. The idea is akin to the merchandising technique of the safety razor companies, where holders were formerly almost given away, the profit being in blades. The postwar radios, the story goes, will retail as low as $3 apiece.

* * *

Supply Notes

Although the program for converting production to new models and its accompanying temporary release of resources is in its early stages, several signs of an easier supply situation have already appeared. One purchasing agent reports that he can buy brass on about six weeks' notice, against a former lag of up to six months. Another states that salesmen are beginning to call more frequently, and have something to sell for a change. He mentioned piping and valves specifically. At least one clockmaker is reported to have been able to return to civilian production on a limited scale.

* * *

Who Gets the Nickels?

Travellers between the Maritimes and central Canada tell us that the new wartime nickels are very plentiful at the seaboard, while they are still comparatively rare in Ontario and Quebec. Actually, the nickels are not distributed according to any particular plan, but are sent out to whatever district feels a shortage and requests a shipment. Explanation for the big Maritime demand apparently lies in the growing numbers of troops in the area, plus the needs of sailors and men returning on leave who replenish their pocket money in the Maritimes, often spending it in their homes farther west.

* * *

Dog Diet

One result of meat rationing may be the gradual evacuation of dogs from town to country. Veterinaries report that a number of anxious householders, particularly those owning St. Bernards, for instance, or Alsations, have been arranging for them to be taken by farmers rather than having to choose between short rations for their pets or their families. But watchdogs appear to be in good demand in country areas, particularly where there are chickens.

Generally speaking the war has not seriously affected canines in Canada so far. One dog man questioned by The Post suggested purchase of cuts in the type designated by the WPTB as "D", as a way around meat rationing. "Butchers aren't allowed to sell meat to dogs," he said, "but meat in this category is about a third bone, so that the ration can be equally divided between family and pet."

There is a shortage of canned pet food, but there are still plenty of dog biscuits and meals to be had. Larger dog breeders are considering serving up horsemeat, which should be no hardship to the dogs since horsemeat is on the market for the general public in Britain. It is unrationed.

Dogs are also known to thrive on scraps from the table, preferably to be issued in a separate dish after the family has finished their own meal. If your dog is finicky about eating certain foods, a tip is to mash them up with scraps of meat, too tightly for him to be able to nose the meat out. "Dogs will just have to accustom themselves to eating vegetables," one veterinary sums it up.

CMA Meeting Cut By Ottawa

By STAFF WRITER

OTTAWA.—Two major war departments have declared the forthcoming Toronto convention of the Canadian Manufacturers Association to be "out of bounds," but officials from two other departments, and from Washington, will attend. Selective Service and the Labor Department are to be well represented.

Officials of the Department of Munitions and Supply and the Wartime Prices and Trade Board are not barred from attending the meeting in their private or peacetime business capacities, but may not appear officially on the program.

Original intention had been to link the CMA meeting with a get-together of war contractors for a country-wide checkup on the conservation program initiated last year by the Department of Munitions and Supply to cut costs and save manpower and materials. The conservation meeting was to have been held the day before the convention.

But departmental officials and Hon. C. D. Howe vetoed the conservation get-together on the grounds that any sort of convention travel and gatherings must be discouraged.

BUILDERS WHO SEND *Ships* DOWN TO THE SEA

Canadian shipbuilders pay their tribute to the loyal heroism of those who sail our navy and merchant marine by a magnificent response to the cry, "Give us more ships!" The Bank of Montreal, through its branches in shipbuilding centres, gives helpful banking service to employers and workers in this, as in every war industry.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . *the Outcome of 125 Years' Successful Operation*
A 181

Confusion Hampers Start Of Retail Labor Draft

(Continued from page 1)

other. What appears a "sideways" essentiality shift actually has good precedent.

The Ontario office last week transferred 700 men out of 3,500 interviewed. According to Mr. Hetherington, the high proportion of interviews is indicative of the efforts of the office to avoid misdirection.

As a result of two briefs presented to National Selective Service headquarters by Canadian Retail Federation—one covering the food retailers and the other all other retail trades —certain changes have been made in NSS directives and policies which retailers are hopeful will ease what threatened to become a serious situation.

New Directives

A new directive to regional offices of NSS specifically directs that special consideration must be given to personnel of food distributive trades. Regarding butchers it is directed that, unless a surplus exists, these employees will be directed to return to their present employment, a step taken in view of introduction of meat rationing. Other personnel of food retailers are to be granted permission to return to present employment unless and until replacements could be secured. Staffs of offices and warehouses operated in connection with retail food establishments were to be treated in the same manner as the retail stores themselves.

In its later brief covering non-food retailers, the Federation sought similar changes and asked that keymen and store executives be exempt from transfer. It also recommended that a substitute employee should be offered whenever possible where a man with a special skill is to be shifted and that employers have the right to appeal transfers within seven days to a court of referees.

Mr. MacNamara suggested that committees in Selective Service centres be nominated to advise and co-operate with the office and recognized the right of an employer to appeal transfers of employees.

One trouble that has arisen comes from the fact that the order is stated to apply to those engaged in or associated with the retail trade. This means that men working in factories connected with retail firms are required to register by June 15 and may be transferred to other work. One retail firm which operates its own bakery reports that a man has been taken out of its bakery and sent to another baker. The only difference was that the other baker was independent and had no connection with the retail trade.

Some factories operated by companies which are primarily retail establishments are engaged on war work or production of other essential materials. But because such factories are connected in this way with the retail trade, their men are subject to transfer under a strict interpretation of the rules.

Here are some of the problems that have arisen to date:

- One retail firm found that out of a certain number of men shifted only about 18% went directly to war industry. Six per cent were transferred to an industry which could be classed as partially essential, and the remainder were distributed among such businesses as automobile dealers, service station equipment companies, trust companies, and in one case a casket company and a brewing warehouse. In one instance a man is reported to have vanished entirely. Some time after he had reported, Selective Service had no record of him, nor did his previous employer.
- One variety store had three men who were required to register. All three disappeared so far as the store was concerned. It was later learned that these men, whose experience was entirely retail, had been sent to take a welder's course, being paid subsistence allowances at public expense. Retailers point out that it may be quite true that as welders these men are contributing more to the war effort than working in a variety store. But they also point out that such stores customarily get in supplies in large containers which have to be handled and repackaged before selling. Such handling requires considerable strength and is a job which only men can do. Now that it is impossible to secure handling equipment, there is little alternative than to continue using manpower or cease handling such heavy goods.
- Another retail establishment reports a man sent to work for a wholesaler in the same line. This company points out that wholesalers can do little if there are no retailers.
- In another case two men were transferred from a drugstore. One was sent to a soap manufacturer and the other to an oil refiner. In both cases as salesmen, where there were apparently no openings. Returning to Selective Service they were sent next to a manufacturer of technical war materials. This manufacturer interviewed the men, one of whom was told that he lived in a district too remote and this would not do.
- One factory employing women almost exclusively was told by NSS that more women full-time workers were impossible to obtain. This particular firm advertised for part-time workers and secured all that it needed. Its particular kind of work happened to be of such a nature that it could manage quite well with part-time workers.
- Similar devices are used by retailers. One large Canadian retail organization was told by the local NSS office that it could get no help at all, something which appears to be contrary to Ottawa instructions. Pending clarification of this misunderstanding, this company had to make part-time workers do.
- An $8,000 a year male hairdresser was put at a $15 a week job washing bottles in a laboratory.
- Three elevator men in one retail establishment were converted to three elevator jobs in a trust company.

U. S. Stressing Small Employer

(Continued from page 1)

throwing some people out of work temporarily are causing some workmen to feel that they have "worked themselves out of a job" but steps are being taken to maintain a proper understanding of the situation. The business press has been asked to co-operate extensively in meeting this problem.

Role of CED

Postwar studies have been carried on very largely under the inspiration of the Committee for Economic Development. This organization has been encouraging trade groups to give the subject attention, and it has been working closely with the 400 large employers in that country. It is operating on the basis that no national committee can function effectively on this subject; that the answer doesn't lie in Washington, but in the mobilization of the brainpower of local committees. Hence it is helping set up fully autonomous committees in communities and is expecting that a great deal of the postwar employment problem may be worked out through such bodies on a "community level."

Betts Quits as Brewers' Prexy

Disagreement in the Dominion Brewing Association has resulted in the resignation from the presidency of Clive Betts of Canadian Breweries Ltd.

Difference of opinion as to the attitude of the association toward government wartime restrictions on sale of beer is stated to be the main reason for the change.

No new president of the association has yet been appointed, present direction being left in the hands of the first vice-president, John Boyd, president of Shea's Winnipeg Brewery Ltd. and the second vice-president John Cushing, executive vice-president of National Breweries Ltd., Montreal. L. C. Bonnycastle, assistant general manager of John Labatt's Ltd., is acting secretary of the association.

At a recent Toronto meeting the great majority of members representing breweries from coast to coast are understood to have held the view that the association should not attack the government's wartime policy with respect to beer; that while they do not agree with the principles of the government beer policy, nor believe that it will promote the aim of temperance, the association should not seek to embarrass the government.

Jerome Gold Mines milled 36,485 tons of ore the first quarter of 1943; 5,559 oz. of gold were recovered. Estimated operating profits were $63,312 and loans were reduced to $275,000. Labor shortage prevented operations being carried on at capacity and no development work could be done.

Elson from Washington

(Continued from page 1)

turbing symptoms of labor's restlessness. While CIO and AF of L heads stand aside in the coal dispute they carefully mark Lewis' tactics. His success increases the restlessness.

- Tempo of production here in the first quarter was not what it should have been. Charles E. Wilson, new deputy chairman of the War Production Board, who is now its real operational "brains" admits that it is only 20% of that scheduled for the whole year. While this rate will increase, Wilson made no promises the deficiency would be made up.

Enlarged aircraft production goals for this year and next, calling for heavier planes and a greater volume, can only be met through the most exacting "scheduling" of the parts and pieces needed in manufacture. Wilson's plan for handling this means that each manufacturer in the future will have to submit an exact inventory of what he has on hand and what he will need over a certain period of time.

In spite of difficulties, Wilson states output of heavy bombers in the United States in April was four times greater than production one year ago and by April next would be eight times greater. On the basis of previous figures, that April output exceeded 500 bombers, this means the United States expects to turn out 1,000 bombers a month next year. Meanwhile a new "super-bomber," bigger than any of the Liberators and Flying Fortresses now in the skies, is being "scheduled" for production. Details are secret.

- Mr. Roosevelt has suddenly elevated his "assistant president," Judge James F. Byrnes, to the newly created post of director of war mobilization. The sunny Irishman from South Carolina, who has been fighting the rearguard action against inflation as director of economic mobilization, was thus overnight lifted to the most important civil post in Washington with full powers to direct the conduct of the war on the home front.

If Canadians can imagine the sensation Mr. King would create tomorrow if he were to call Donald Gordon in and give him jurisdiction over the departments of munitions and supply as well as the Wartime Prices and Trade Board and certain civilian functions in the departments of National Defense, as well as selective service, they will have a rough idea of the new powers the president delegated to Byrnes.

Byrnes, as director of war mobilization, has a committee "to advise" —and the words to advise are to be literally interpreted. This consists of five top men in the Roosevelt cabinet—War Production Board Chairman Donald Nelson, Secretaries of Army and Navy Stimson and Knox, Harry Hopkins, chairman of the munitions assignment board, and Judge Fred M. Vinson, who takes over Byrnes' old post as director of economic stabilization.

Under the terms of the executive order from the White House—and an executive order is tantamount to an order-in-council—Byrnes is given almost complete authority over a "little war cabinet" which will develop policies and programs for production, civilian supply, distribution and transportation of military and civilian supplies. To Byrnes is subordinated the activity of other czars like William Jeffers, who heads up the synthetic rubber program and the various undersecretaries like Robert Patterson and James Forestal, who supervise the War and Navy Department procurement programs.

Montreal Aircraft Industries, which sold its Cartierville plant to Canadian Car & Foundry Co. and the flying field to the Dominion Government, has made an interim distribution of $8 a share on the 52,500 shares outstanding. A final payment of a few cents a share is expected when all claims have been settled.

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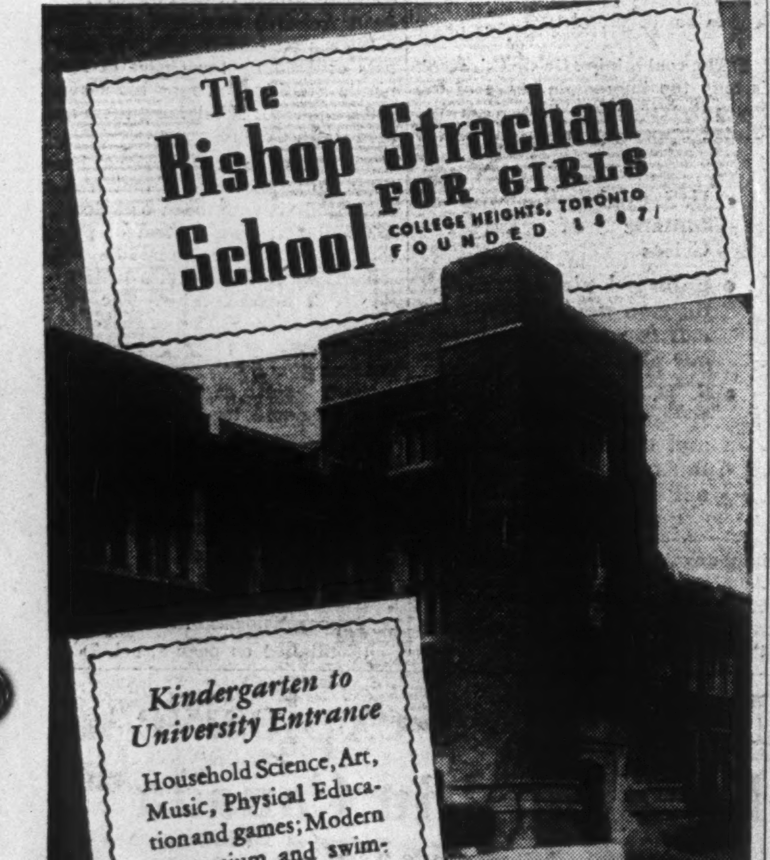

Kindergarten to University Entrance
Household Science, Art, Music, Physical Education and games; Modern gymnasium and swimming pool.
Write for Prospectus and Rates

W. G. Weston Goes Shopping

(Continued from page 1)

number of preference shares from 17,500 as at present to 35,000 and to make certain minor changes in the stock provisions. The new shares were to be used to finance redemption of the funded debt of subsidiaries amounting to $1.6 millions.

An underwriting arrangement had been concluded with Gairdner & Co., Toronto, covering preference shares to be issued. This underwriting arrangement has been cancelled for the present by the adjournment of the meeting.

George Weston Ltd. has been studying plans for a new factory and office building in Toronto, officials tell The Post. It is felt that existing plant needs modernizing and that the best way to accomplish this would be to construct an entirely new plant. Nothing could be done during wartime because of restrictions on such types of construction, but plans are being made which could be carried out after the war.

Flour Mills?

As to the purchase of Western Canada Flour Mills, a company official told The Post that there has been some market accumulation of preferred shares, which would not give control of the company. He had no common and said that no approach whatever had been made.

Canadian Manufacturers' Annual Meeting in Toronto

Canadian Manufacturers' Association is holding its 72nd annual meeting in Toronto on June 8, 9 and 10, 1943.

Program arranged takes the form of special conferences.

In addition special speakers at luncheons, dinners and general meetings during the meeting will include Hilary St. Clair Saunders, recorder of Combined Operations Headquarters, London, and assistant librarian of the House of Commons; John Grierson, general manager, Wartime Information Board and Government Film Commissioner; William L. Batt, vice-chairman of War Production Board, Washington; F. C. Crawford, president of the National Association of Manufacturers, New York; Sir Clive Baillieu, United Kingdom member, Combined Raw Materials Board and Sir William Beveridge, British economist and author of "The Beveridge Report" on social insurance and allied services.

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BUSINESS enriches the NATION and YOU

The Consumer is the Boss

WHEN Victory is won private enterprise will be dictated to by the people who use its products and services. The buyer is the boss.

The controlling motive in our democratic business system is to please the customer. That motive pervades all business decisions. Even in today's so-called "seller's market", business governs itself in the knowledge that the buyer will be back in the driver's seat and will express his pleasure or displeasure with orders —or without.

Business, to survive, must serve. Business produces to meet the pleasure of the people, not the autocratic decisions of a dictatorial state as in the Axis countries. Commerce and industry regulate prices and products as the people at large exercise their freedom of choice —to buy or not to buy.

For a little while, war-time restrictions may disrupt this procedure in some of its aspects . . . but the basic freedom remains and Canadian business is its efficient servant.

3D-43

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	May			Sept. 3, '43	$55,000,000	99.887	.497%

In Your Opinion—

Can We Maintain Price Ceiling?

The Question: Donald Gordon says we shall have to abandon price ceiling if labor and food costs are not held down. What are your recommendations?

A. Chaput

Director, Couvrette-Sauriol Ltd., wholesale grocers, Montreal.

The WPTB must continue to control prices and, in the general interest of the trade, I would suggest:

1. The establishment of a minimum price f.o.b. manufacture,
2. A profit percentage for the wholesaler and
3. One for the retailer, with the latter being allowed to add freight charges to their cost price in order to determine their selling price equitably.

This would make price control much easier, as it would only be necessary to know the manufacturer's price and add freight charges, wholesale and retail mark-ups to set the maximum retail price.

• • •

Hon. P. M. Dewan

Ontario Minister of Agriculture.

It is obvious that price ceilings cannot be maintained without rigid wage ceilings. Wage-earners will not suffer from such ceilings for because of them food costs will be held down and inflation of a general way avoided.

A mistake, I think, was made when the cost of living policy was adopted. With this policy in effect the Wartime Prices and Trade Board began its task of price fixing with a handicap. The cost of living bonus is just another form of increased wage rates. It is the beginning of a vicious circle. Increased wage rates mean increased costs of food and other essential commodities. The solution rests in maintaining rigid wage ceilings.

• • •

Walter E. Elliott

Elliott-Haynes Ltd., research and business surveys, Toronto.

We Canadians face an imminent threat of inflation because of our inability to control wage rates and farm prices. If the wage-earner and farmer were fully to understand the mechanics of inflation it is doubtful if they would seek further increases for their services and products. Thus the co-operation of the Canadian public in general and these two groups in particular is of highest import and it should be the first responsibility of the government to educate the people to the inherent dangers of inflation.

While an educational program of this type would retard inflation it is doubtful if it would obviate the danger. I would further recommend the extension of price ceilings to as many farm products as possible and a more rigid application of regulations governing wage increases. Such a program, I believe, would succeed only when prices and wages are consolidated under one governing authority.

• • •

Paul A. Fisher

Prominent fruit grower and agricultural spokesman, Burlington, Ont.

Any theory must have a sound foundation to work. The price ceiling theory started on a basis of cheap food regardless of cost of production which was bad, and then followed this up with a pegging of wages of labor that they lacked the courage to enforce, which was just as bad. This policy is now bearing its inevitable fruits and they have a bitter taste. Every branch of organized agriculture has repeatedly made their suggestions to avoid any further unnecessary food shortages. They all fall on deaf ears. If the policy failed the fault lies in the administration and not in the theory.

• • •

Dr. W. Sherwood Fox

President, University of Western Ontario, London, Ont.

Effectiveness of Canada's war effort depends upon co-operation of all groups and individuals. Current pressure for increased prices and wages threatens destroying price-ceiling. Inflation, deceitfully easy method of war finance, diminishes productive efficiency, and, under full employment, inevitably brings economic distress.

Present control system may effect something less than equity, yet little real economic hardship exists in Canada. Therefore, let each citizen sacrificially concentrate on the vital task, winning the war, postponing the ultimate solution of national income distribution until reconstruction.

I recommend continued conference of leaders in agriculture, industry, labor, finance with Donald Gordon. This should help avert the catastrophe of inflation.

M. K. Glendenning

Editor, News Record, Delhi, Ont.

Representative opinion in this area is that, despite shortcomings, the price ceiling is at least 90% effective and its abandonment would result in chaos. Labor and food costs are basic parts of maintenance, and for that reason present difficult problems. If either becomes out of line the other is bound to be affected. It would seem that labor is rocking the boat to some extent causing marked effect on farm production. Why not place a ceiling forbidding the farmer to pay more than a certain rate, eliminating any possibility of bidding against each other for curtailed supply of labor.

• • •

J. W. Horsey

President, Dominion Stores Ltd., Toronto.

We feel the most important factor in the control of prices is increased production of food and that more constructive thought and planning must be given to that matter if the price ceiling is to be maintained.

• • •

Gilbert E. Jackson

Former professor of economics, University of Toronto and president of Sentinel Securities Ltd., Toronto.

I naturally believe that labor and food costs should be held down in order to preserve the price ceiling.

• • •

H. T. James

Managing director, Pioneer Gold Mines, Vancouver.

The Canadian public in general believes in the necessity of preventing inflation but they must be sold on the idea that this can be done only by maintaining a price ceiling on essential goods and wages. The government's big job is to sell this idea to the people of Canada. This is a selling job. Turn it over to experts. In the meantime the government must see to it that there is an adequate supply of essential goods and services and a minimum of pressure money.

H. A. McMillan

Editor, Review, Hamilton, Ont.

Observing the comparative cost of living indices, the success of the Canadian experiment with over-all controls is apparent in spite of undermining influences. Before Donald Gordon told his side of the story to NWLB it was apparent that the system could not withstand indefinitely the inroads of concessions, on an ever-widening scale, to wage and price demands.

Action to relieve the pressure now threatening the control system could probably be initiated by NWLB. The first need is for the Board to determine a broad, realistic wage policy. Such a policy would be based on recognition of the imperative need for maintaining the anti-inflationary program. The next step would be to proclaim a national day of prayer. We would ask Divine Providence to bestow enough gumption upon Messrs. King and Mitchell to embrace a realistic policy and adhere to it.

• • •

Prof. E. H. Morrow

University of British Columbia, Vancouver.

Since 1941, farm prices and wages have greatly and deservedly benefitted relative to business and professional incomes but readjustment has gone far enough. The situation should be stabilized by strong official support for Donald Gordon. The loss of price control would be a national calamity.

The situation probably demands tightening of regulations in several directions in order to avoid extreme measures in any one direction. I suggest freezing farm prices and all wages excepting obviously depressed cases. Also ration more essential commodities as scarcities develop. Establish severe penalties for infringement. Increase saving deduction, especially on payments and dividends increases since early in 1942.

• • •

Hugh Templin

Editor, News-Record, Fergus, Ont.

Those of us who live in small towns and who are dependent to considerable extent on farmers for our living would like to see them getting higher prices. Differences already in effect have allowed many of them to pay old debts. However, this is of secondary importance. Price control is far more necessary.

Rural districts supply examples. There is no ceiling on prices of used farm machinery. At auction sales, implements twenty or thirty years old, often bring higher prices than when they were new, and three or four times the present value. This is perfect evidence of what would happen if price control disappeared.

• • •

M. J. Patton

Formerly assistant commissioner of tariff for Canada, economist and tariff counsel, Ottawa.

If the government wants Donald Gordon to maintain ceilings, they must give him supreme power to peg wages, farm prices, to the exclusion of the Departments of Labor and Agriculture, and he must adopt Gestapo and severely repressive measures, as well as a wider use of rationing. In initially adopting the price ceiling policy the government knew these undemocratic methods implicit in it and should not pussyfoot now.

Conceivably the over-all war effort could be prejudiced by too high objectives in sending men and goods overseas, upsetting our domestic economy. Stringency in price and production situations would be an indication and measure of this. In such event the government should review its whole general policy, lowering export objectives, putting idle soldiers in Canada back to work and raising ceilings on critical goods high enough to secure the needed production. Only restoration of the proper balance of the elements of production will make possible a maximum war effort.

• • •

A. H. Paradis

President, Paradis & Sons Ltd., and prominent in Montreal industrial and financial circles.

I am afraid Mr. Donald Gordon is right. If the price of food products is allowed to rise much more it would be impossible to maintain the present ceiling price on salaries and on manufactured goods. More publicity should be made by citing effects on countries such as Italy, France, etc., where inflation has taken place, so the workers, farmers, manufacturers and businessmen should know more fully the effects of inflation. From now on we shall have less to buy and more to buy with.

• • •

M. M. Robinson*

Director, Ontario Food Distribution Council, Toronto.

It was inevitable that a cheap food policy would develop as a result of the effort to control the cost of living. When no attempt was made to maintain the supply of farm labor or to hold down the costs of production this cheap food policy was placed in jeopardy.

Passing from a surplus position to one of progressive shortages Ottawa must begin to take a realistic view of farm production problems with a determined use of subsidies in order to level out the price structure. With this must come state direction and control to the point of eliminating the production of non-essential foodstuffs, greater supervision of distribution, and a sound manpower and wage policy administered without fear or favor.

The burden of a cheap food policy must not be borne by agriculture alone.

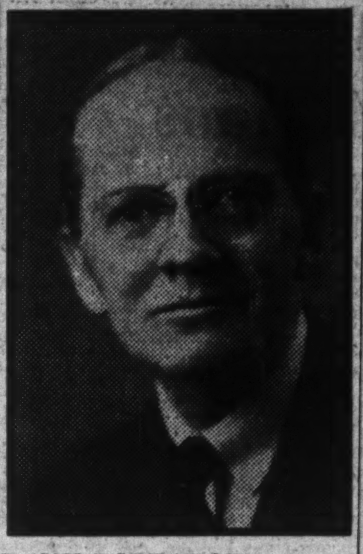
• • •

L. W. Sipherd

Treasurer, Hobbs Glass Ltd., London, Ont., and former professor of business administration, University of Western Ontario.

Without undertaking to make specific recommendations, I welcome the opportunity of going on record as being wholly in agreement with Donald Gordon. I feel that we should continue the fight against relaxing our present controls over prices and wages even though it is impossible to keep the lid down tight. The average Canadian does not realize, I am afraid, that in spite of evidences on every hand of failure to hold the line, Canada has done a creditable job of fighting off serious inflation. Comparing our situation with that existing in the United States, I feel that we have much to be proud of and thankful for.

I feel very strongly, therefore, that present efforts should be vigorously maintained simply because it will give us a measure of protection against inflation. If the average Canadian could visualize the difference of effect on himself between uncontrolled inflation and the inflation we are experiencing under present government controls, he would not only ask for the retention of our present regulations, but he would more willingly co-operate himself to help hold the line.



BANK DIRECTOR

D. C. Coleman, chairman and president of the Canadian Pacific Railway, who has been elected a director of the Bank of Montreal.

YOU ARE CORDIALLY INVITED TO CALL OR WRITE FOR OUR BOOKLET

Your 1943

INCOME TAX

and

1942 TAX ADJUSTMENTS

It contains much information you will need to have and act upon before the end of June.

Let us help you to adjust your 1942 tax and file your return for 1942 before June 30, 1943.

Crown Trust Company

Executors and Trustees

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Automatic Screw Machine Hours AVAILABLE

Advertiser has the following number of machine hours on automatic screw machines for sale during the last 6 months of 1943.

Browne & Sharpe	No. 0	48,500 hours
	No. 00	58,200 hours
	No. 2	11,900 hours
Cleveland	7/8"	5,100 hours
	2"	16,200 hours

(SUBJECT TO PRIOR SALE)

Those interested should communicate with Advertiser through Box 38, The Financial Post, Toronto, when further information will be made available.

Abitibi Earns $8.7 Millions

Abitibi Power & Paper Co. had net earnings of $8.7 millions in 1942, compared with $10.1 millions in 1941 and $8.2 millions in 1940, it is stated officially. These figures are before depreciation, bond interest and taxes. Depreciation was charged at $4.5 millions for 1942, same amount as provided in the two preceding years.

Complete annual report of G. T. Clarkson, receiver and manager, will be ready in the near future, The Post is told.

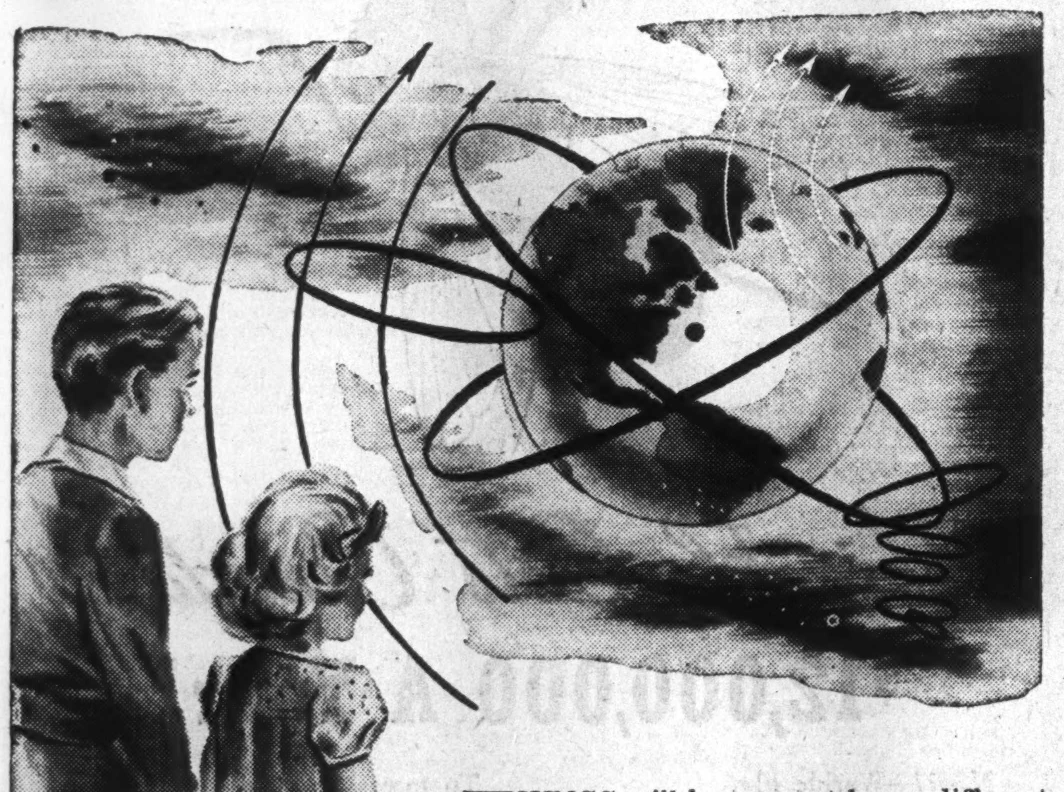
The Privy Council's Judicial committee commenced hearings on the appeal against the sale order on the company's assets on May 28.

Distribution of the third payment of $190 per $1,000 on bond principal requires that each bondholder present his bond on or after June 30, 1943, with all interest coupons attached to the Montreal Trust Co. in Toronto, Montreal or London, Eng., or to the City Bank Farmers Trust Co., New York. Instructions regarding names and addresses to which cheques are to be issued should accompany each bond, which will be stamped with the particulars of the payment and returned. Interest will accrue from June 30 on the balance owing after giving effect to the latest payment as well as the two previous ones.

Holders of certificates of deposit will receive payment by the Montreal Trust Co. on direction of the Bondholders' Protective Committee but will not be required to present their certificates of deposit. Transfer books for certificates of deposit will be closed from June 9 to July 2.

The third payment requires $9.2 millions and brings total principal payments to $20.3 millions or $420 on each $1,000 bond.

SALUTE TO THE WORLD OF TOMORROW!



THINGS will be — must be — different after the war. Men are fighting today not only to maintain civilization — but to improve it.

The motor cars, the planes, the homes, the electrical appliances of the future will be fantastically different — efficient beyond our present dreams.

Industrial leadership in this world of tomorrow will be won by today's most forward-minded organizations. This new spirit of progressive enterprise is typified by Small Electric Motors (Canada) Limited.

Here, where all activities are geared to war production, the groundwork is already set, through research and invention, for revolutionary peace-time products for ships and planes — for homes and factories!

DESIGNERS AND MANUFACTURERS of all types of precision electrical apparatus including

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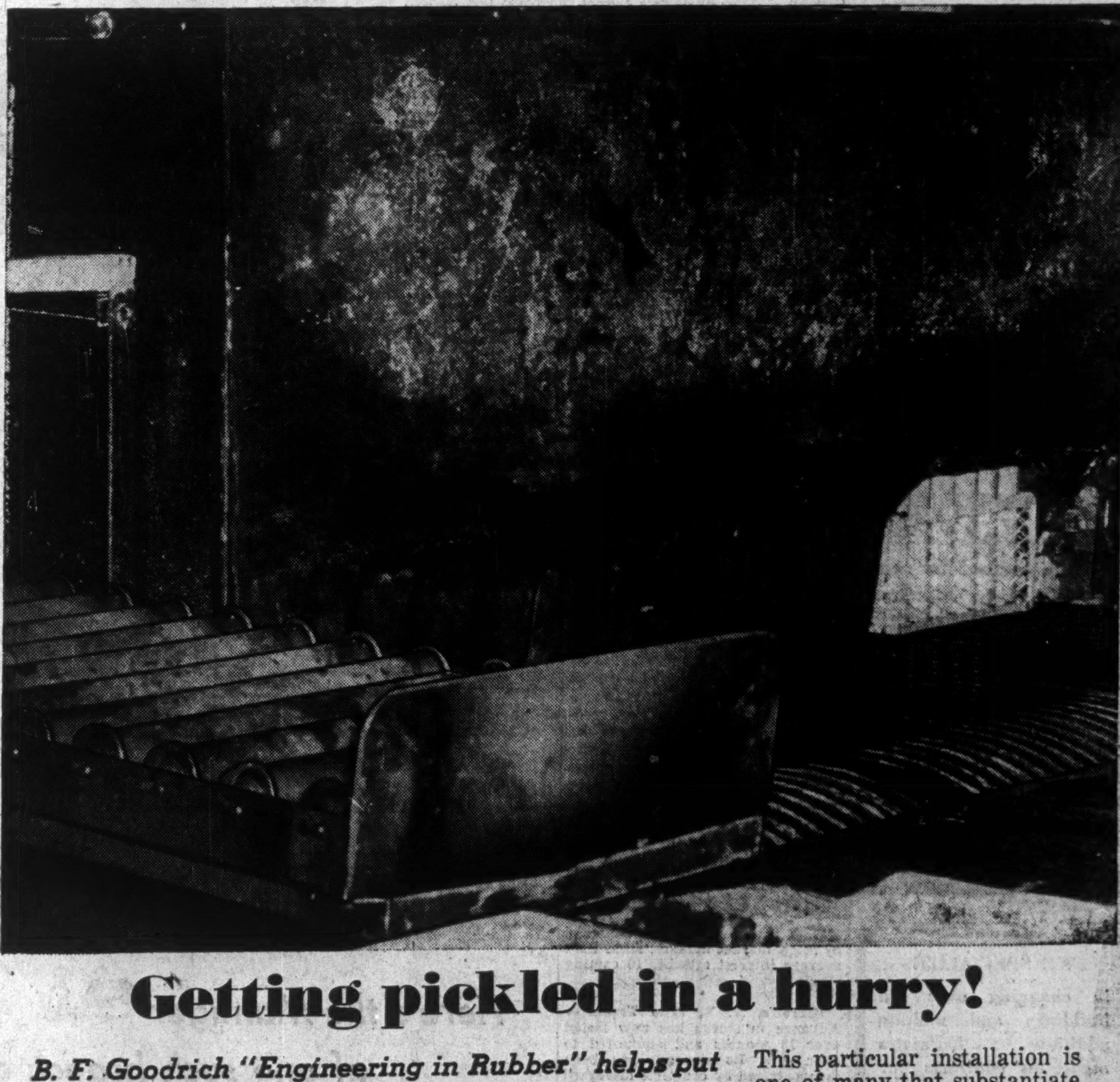

Getting pickled in a hurry!

B. F. Goodrich "Engineering in Rubber" helps put pickling on continuous belt-line basis

Into the mouth of a Curran Pickling and Washing Machine (shown above) goes metals for war. Many thousands of pounds of these metals go through the pickling bath every hour with the smooth speed of loaves going through a modern conveyor-type bakery oven. Unlike the simple heat of a baking oven, however, the biting, searing acids of this pickling process would destroy conveyor rollers and interior fittings — **if they did not have the protection of acid-resisting rubber.**

The rubber that made this new, faster pickling process possible was developed by B. F. Goodrich engineers in co-operation with progressive Paul Curran Limited, who designed this time-saving method.

The Curran machine has stepped up pickling capacity tremendously, cut down handling time and manual operations. By this process, the metals travel through the spraying compartment on an endless conveyor. Curran machines now in operation can handle, in any 24-hour period, four times the tonnage it was possible to attain by previous methods.

This particular installation is one of many that substantiate the perfect adhesion of rubber to metal, made possible by the B. F. Goodrich Vulcalock process. It is another typical example of the "know how" of B. F. Goodrich engineers, being used to provide long uninterrupted service for those who bring their rubber problems to the company that is first in rubber. The B. F. Goodrich Rubber Company of Canada, Limited — Industrial Products Division—Kitchener, Ontario.

B. F. Goodrich

FIRST IN RUBBER

NOTICE TO BONDHOLDERS

Abitibi Power & Paper Company Limited

First Mortgage Gold Bonds Series A, 5%, Due 1953.

THIRD DISTRIBUTION

TAKE NOTICE that by Order of the Supreme Court of Ontario the Receiver and Manager has been ordered to pay to the undersigned for distribution pro rata among the holders of the above Bonds the sum of $9,170,730 Canadian funds, to be credited on June 30, 1943, on account of the principal moneys due on the said Bonds, such distribution being at the rate of $190 Canadian funds for each $1,000 original principal amount of Bonds held.

To become entitled to share in such distribution, each Bondholder (including a holder of registered Bonds) is required to present, on or after June 30, 1943, his Bond or Bonds with all interest coupons due June 1, 1932, and subsequent thereto, to MONTREAL TRUST COMPANY, 511 Place d'Armes, Montreal, Que., or 61 Yonge Street, Toronto, Ont., or 6 Lothbury, London, E.C.2, England, or to its agent, CITY BANK FARMERS TRUST COMPANY, 22 William Street, New York, U.S.A., with instructions as to the name and address of the person to whom the cheque in payment is to be issued. The Bonds so presented will be stamped with particulars of the payment and returned.

The distribution will be governed by the restrictions, regulations and instructions of the Canadian Foreign Exchange Control Board and the Canadian Custodian of Enemy Property. In particular, bearer Bonds held by non-residents of Canada must be accompanied by Canadian Declaration of Ownership (Form "G").

From and after June 30, 1943, interest will accrue only on the amount owing on the Bonds after crediting thereon the amount of this distribution and the amounts of the first and second distributions made on October 15, 1941, and April 15, 1942, respectively.

For further particulars apply to Montreal Trust Company or City Bank Farmers Trust Company above mentioned.

DATED the 26th day of May, 1943.

MONTREAL TRUST COMPANY.

NOTICE TO HOLDERS OF CERTIFICATES OF DEPOSIT

Abitibi Power & Paper Company Limited

First Mortgage Gold Bonds Series A, 5%, due 1953.

The payment to which this Committee will be entitled in respect of bonds deposited under the Deposit Agreement dated June 10, 1932, will be disbursed under its direction by Montreal Trust Company as and when received to and among the registered holders of record on June 30, 1943, of the relative Certificates of Deposit issued in respect of such bonds.

Presentation of the Certificates of Deposit will not be required.

NOTICE IS HEREBY GIVEN that, under and pursuant to the provisions in that respect contained in the said Deposit Agreement the transfer books kept by the undermentioned Depositaries for the Certificates of Deposit issued thereunder will be closed from the close of business on June 9, 1943, until the opening of business on July 2, 1943.

All holders of Certificates of Deposit who are not the registered holders thereof should forthwith take action to have the Certificates of Deposit held by them transferred on the said transfer books into their own names if they desire to participate in the aforesaid distribution. The Secretary should be advised of any change of address.

DATED the 26th day of May, 1943.

Bondholders' Protective Committee,
H. J. SYMINGTON, K.C., Chairman.
ALLAN R. GRAYDON, K.C., Secretary, 2400 The Canadian Bank of Commerce Building, Toronto, Canada.

Depositaries:
Montreal Trust Company,
511 Place d'Armes, Montreal, Que.
61 Yonge Street, Toronto, Ont.
City Bank Farmers Trust Company,
22 William Street, New York, N.Y.

REAL ESTATE
• Sales
• Valuations
• Mortgages
Property Management
R. F. HEAL & COMPANY
112 YONGE ST. AD. 3457-8

Canadian Car & Foundry Co. has declared a quarterly dividend of 53 cents a share on the new preferred stock, payable July 10 to holders of record June 22. This is the first dividend on the new rate of $2.10 a share. Payment of $2.55 a share, as provided in the recently approved plan, will not be made until the exchange of certificates is effected.

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TORONTO – BRANTFORD
BRANCHES FROM COAST TO COAST

Half Year's Dividends Down $2,6 Millions

For the second consecutive month this year, dividends scheduled for payment by Canadian companies are above the same month of 1942, according to preliminary estimates by The Financial Post. The June total of $49.5 millions compares with $48.5 millions a year ago and brings the half year total for 1943 to $134.1 millions against $136.7 millions.

Dividends for the first half of this year are making a more favorable comparison with the immediately preceding year than did those of 1942. Last year there was a drop of almost $10 millions in the first half of the year; this time it is only $2.6 millions.

It is expected that later declarations this month will add upward of $2 millions to amounts definitely known at present.

Several items account for the better showing in June this year. One is the fact that Brazilian Traction is making its distribution in June, whereas it paid a smaller amount in July a year ago.

Several Extras

Extras are being paid by Asbestos Corp. with 10 cents, Canadian Celanese with 25 cents, Lamaque Gold with five cents, Loblaw with 25 cents and United Steel with five cents. The last named company is also making its initial common distribution of 10 cents a share, making 15 cents in all where nothing was paid last year. Fleet Aircraft and McKinnon Structural Steel are making initial dividend payments. The latter company was formerly known as McKinnon Steel but was reorganized earlier this year.

Corrugated Paper Box is reducing arrears on its preferred stock with a $7 a share payment. Two other companies are paying on arrears, de Havilland with $1.75 and Simpsons Limited with $2.

Colonial Steamship is paying $2.50 a share this time where only $2 a share was paid last year. Ontario Tobacco Plantations is paying $3 a share, first dividend to be paid by this company since July, 1939.

On the other side of the ledger, reduced payments are being made by English Electric with 25 cents a share in place of 62 cents, Perron Gold with two cents instead of four and Pickle Crow with five cents in place of 10 cents.

Monthly Dividends

	1943	1942
January	$20,222,823	$22,952,057
February	9,688,637	10,016,154
March	26,372,190	27,730,638
April	20,362,954	21,221,615
May	7,998,821	6,357,276
June	49,474,669	48,456,376
Total	134,120,094	136,734,116

Industrials, Utilities

Company	Rate $	Date	Amount $
Aluminium	2	5	1,488,820
Do., pref.	†1.50q	1	118,494
Anglo Can. Tel. (A)	.15q	1	73,065
Asbestos Corp.	.20q	30	120,000
Do., bonus	.10	30	60,000
Assoc. Brew. com.	.25q	30	59,500
Barber Ellis	.12½	15	5,500
Bathurst Pr. & P. (A)	.25q	1	100,000
Blue Top Brew. (A)	.30s	30	5,460
Brazilian Tr., c.	.75	15	5,272,420
Bright, T. G., pref.	1.50q	15	11,113
Bruck S. Mills	.10q	15	12,500
Canada Cement, pfd.	1.25q	21	251,086
Can. Cr. Stone	.10q	15	6,374
Canada Cycle	.30q	30	30,000
Do., pref.	1.25q	30	11,802
Can. Dom. Sugar	.20q	1	300,000
Canada Dry	†.15q	9	92,273
Can. Fdrs & Forg. (A)	.37½q	15	14,227
Can. Machinery	.50	28	12,000
Canada Malting	.50q	15	99,486
Canada Vinegars	.10q	1	9,200
Can. Wire & C. (A)	1q	15	29,668
Do. (B)	.25q	15	37,666
Do., pref.	1.62½q	15	40,625
Candn. Bakeries, pref.	1.25q	1	11,412
Can. Celanese	.25q	30	65,102
Do., extra	.25	30	65,102
Do., pref.	1.75q	30	175,000
Candn. Fairbanks, c.	.25	1	20,000
Can. Ind. Alcohol A, B	.10	1	111,191
Candn. Marconi	.04	1	182,187
Can. West. Nat. Gas	1	1	80,000
Do., pref.	1.50q	1	38,346
Capital W. Cloth, pfd.	.37q	1	3,750
Celanese of Amer., c.	†.50	30	688,275
Cockshutt Plow	.25	1	75,169
Colonial Steamships	2.50	12	75,000
Corr. Paper Box, pfd.	1.75q	1	11,168
Do., arrears	7	1	44,674
Crow's Nest Coal	1.50s	2	93,189
de Havilland, pref.	1.75q	15	4,733
Do., arrears	1.75	15	4,733
Distill-Seag., c.	.55½q	15	973,397
Dom. Foundries, pfd.	1.50q	1	18,000
Dominion Stores	.10	19	28,001
Dunlop Tire, pfd.	.62½q	30	20,591
East Steel Prod.	.25q	1	14,500
English Electric (A)	.25	15	10,649
Fleet Aircraft	‡.25	15	47,572
Ford Motor A, B	.25q	19	414,740
Gatineau Pwr., c.	.15q	30	249,348
Ham. Un. Theat., pfd.	1.25q	30	7,525
Imperial Tobacco, ord.	.10q	30	945,103
Imperial Varnish	.12½q	1	6,701
Do., pref.	.37½q	1	4,020
Lake of W. Mill.	.30q	1	44,306
Do., pref.	1.75q	1	26,250
Langley's, pref.	.50	11	2,828
Laura Secord	.20q	1	57,500
Loblaw Groc. Inc.	.25q	1	86,373
Loblaw Groc., A, B	.25q	1	207,089
Do., extra	.12½	1	103,544
Louisiana Land	†.10	15	296,495
MacKinnon Str. St. pfd.	1.25q	15	6,250
Marcus Loews, pfd.	1.75q	30	11,442
Melchers Dist., pfd.	.30	30	37,500
Mitchell, Robt.	1	30	72,400
Montreal Cottons	1q	15	30,000
Do., pref.	1.75q	15	52,500
Nan-Dun. Util., pfd.	.81¼q	1	6,500
New Method Ldry., p.	1.62½q	17	4,062
Northwest Util., pf.	1.50q	1	17,439
N.S. Light & Pwr., pf.	1.50q	1	36,450
Ogilvie Flour, pref.	1.75q	1	35,000
Ont. Tob. Plant, pf.	3	15	8,001
Paton Mfg.	1	15	10,000
Do., pref.	1.75q	15	10,500
Power Corp.	15	30	66,954
Regent Knit, pfd.	.40q	1	6,400
Reliance Grain, pfd.	1.62½q	15	32,500
Rolland Paper, pfd.	1.50q	1	22,500
Russell Indust.	.20q	30	17,020
Do., pref.	1.75q	30	14,857
Simon & Sons	.15q	30	4,507
Do., pref.	1.75q	30	4,635
Simpsons, pref.	▴2	15	225,000
Toronto Elevators, pfd.	.66q	7	18,063
United Steel	‡.10	1	46,893
Do., extra	.05	1	23,446
Walker-Good., H.	1q	15	724,000
Do., pref.	.25q	15	140,204
Walkerville Brew.	.05	29	18,750
West. Can. Hydro, p.	.20q	1	10,762
Do. (B)	.05	1	5,000
Total			15,294,377
Mining Companies			
Aunor Gold	.04	1	80,000
Beattie Gold	.04	30	192,505
Berens River	.03	10	60,000
Buff. Ankerite G.	.05	17	35,083
Can. Malartic G.	.02	30	73,027
Cent. Pat. Gold	.03	30	75,000
Cochenour Willans	.03	1	88,848
Coniaurum Mines	.06	1	166,004
Falconbridge N.	.07½	30	250,313
Granby Cons. M.	†.15	1	67,539
Hallnor Mines	.10q	1	200,000
Hard Rock Gold	.03	31	89,702
Hecla Mining	.25	18	250,000
Hollinger Cons.	.05	17	246,000
Hudson Bay M. & S.	1	28	2,757,973
Inter. Nickel, c.	†.50q	30	7,289,084
Kerr Addison	.07	29	331,121
Lake Shore Mines	.20q	15	400,000
Lamaque Gold	.10	1	300,000
Do., extra	.05	1	150,000
Macassa Mines	.06	15	160,684
McIntyre Porc.	.55½q	1	442,890
McK. Red Lake G.	.03q	17	88,050
Noranda Mines	1q	15	2,239,772
Perron Gold	.02	30	40,000
Pickle Crow	.05s	30	150,000
Placer Devel.	.25	15	186,000
Sherritt Gordon	.03	30	176,232
Siscoe Gold	.01½	15	69,600
Sunshine Mining	.10	30	148,882
Teck Hughes	.10	1	480,714
Ventures	.10	17	157,395
Waite Amulet	.15	10	495,000
Total			17,937,418
Oil Companies			
Command Oils	.03	7	49,968
Home Oil	.15	15	264,000
Imperial Oil	.25s	1	6,741,269
Intern. Petroleum	.50s	1	7,162,044
Do., pref.	.50s	1	100,000
Model Oils	.02	19	19,910
Royalite Oil	.50s	1	358,743
Sec. Std. Royalties, p.	.01	1	25,035
Stuart D. A. Oil, p.	.20q	1	8,036
Total			14,729,005
Financial			
Bank of Montreal	1.50q	1	540,000
Bank of Toronto	2.50q	1	150,000
Bk. Can. Nationale	1.50q	1	105,000
Can. Int. Inv. Tr., p.	.50q	1	7,527
Crown Trust	1q	30	10,000
Dom. Anglo Invest.	4	1	40,000
Do., pref.	1.25q	1	15,902
Dom. Scot. Invest., p.	1	1	49,136
Montreal Loan	.31¼q	15	7,500
Provincial Bank	1.25q	1	50,000
Royal Bank	1.50q	1	525,000
Securities Holding, pf.	.75	30	13,804
Total			1,513,869
Grand Total			48,712,715

q Quarterly. s Semi-annually. †N.Y. funds. ▴On arrears. ‡Initial.

Dosco New Plant Program To Step Up Output 60,000 Tons

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. has undertaken a $1.9 millions plant program at Sydney, including the construction of an ore beneficiation plant, a 700-ton mixer plant and the installation of equipment. Funds for the purpose are being advanced by the Dominion Government.

The work will result in an increase of about 60,000 tons in the effective annual capacity of the steel plant, without increasing the capacity of the open hearth, blast furnaces or in the consumption of coke.

The new plant will permit Dosco to dress and screen the iron ore to permit a uniform size of ore to be transmitted to the blast furnaces. This will result in the use of substantially less coke through more uniform heat. The molten iron will be fed from the different furnaces to a mixer and in turn to the open hearth, again permitting considerable economies and greatly increased efficiency, saving time and eliminating delays.

Market Opinions

With recent new highs achieved by stock market indexes, more than average interest attaches to coming moves.

* * *

Barron's, N. Y. (The Trader)—Advance in stocks has now lasted over 13 months and amounted to over 50%. Its strength has been demonstrated by complete disregard of profit showings and dividend returns. The question for the unemotional and patient remains whether the excitement of the past four months, during which the market has risen less than 12½%, will not prove to have marked a selling rather than a buying zone.

* * *

Magazine of Wall Street, N.Y.—We think the short-run market outlook is more favorable than otherwise but we are inclined to view it distinctly as a trading-risk proposition, and therefore to advise caution as regards new purchases for either intermediate or longer-range investment purposes.

* * *

Brookmire Counselor, N.Y.—After an uninterrupted advance in stock prices that has well exceeded the average duration shown throughout market history, common prudence calls for increasing wariness on the part of the conservative investor. Such caution is especially necessary in a war period that has been notable for the dramatic suddenness of military developments. As a measure of protection, approximately one fourth of active funds should be retained in cash.

Cost of Subsidies Still Low

Expenditures Far Under Level Predicted Originally

By STAFF WRITER

OTTAWA.—Executives who administer the Commodity Prices Stabilization Corp. are looking for further relief in the war risk insurance on crude oil and other petroleum products.

A while ago, the peak rate (which worked out at something like 14 cents per gallon of gasoline) was cut approximately in half. Now a further reduction is expected.

When Mr. Ilsley tabled in the House a detailed report on subsidies to March 31, 1943, he showed that payments on petroleum were just over $24 millions. A few days later a return was tabled which showed a similar item for the period ending April 30. Though the period was for an extra month, the amount was shown at $19.7 millions, or almost $4.3 millions less.

Refund Cheques

The reason is that big refund cheques for materials used in war industry or for export sales drop into the corporation's lap every few months. One of these arrived in April, cutting the net petroleum subsidy payable by taxpayers.

Another possible source of subsidy relief in the near future may arise in leather footwear. Although CPSC officials refuse to confirm, it is known that the books of all leather footwear companies (which received almost $3.3 millions in subsidy up to March 31, 1943) are now under scrutiny.

It is believed that out of this enquiry may possibly come some actual refunds to CPSC or at least some further relief from the footwear subsidy in its present form. Some firms are thought to have benefitted out of proportion to their over-all profit position.

Subsidy Administration

To date, administration of subsidy machinery has been one of the most successful and least costly features of the price control.

Month after month, opposition members of Parliament have been waiting to pounce on the big subsidy bills which Mr. Ilsley and his associates were thought to have been piling up under the price ceiling administration. Such bills have not arrived.

Figures released recently in the United States indicate that to date under a "no subsidy" policy, that country has paid out $720 millions or about 11 times the amount of net price ceiling subsidies in Canada.

Reach $65.2 Millions

According to the return tabled by Mr. Ilsley in the House a short time ago, total import and domestic subsidies to March 31, 1943, were $65.2 millions. In addition, trading loss of associated companies on commodity operations was $3.4 millions.

There is no estimate of the amount of revenue the government has lost by reason of changes and remission of customs valuations, duties, taxes, etc.

One feature of the return tabled by Mr. Ilsley was the small amount of subsidy claimed by the food industry under Order 116 which made eligible for subsidy a list of more than 40 important grocery items. Total subsidy payments after one year of operation have been only $1.5 millions under this order.

Ottawa Version

The Ottawa version of this story is that a number of firms who might have claimed subsidy, have not done so. Some ten or 12 of the original items declared eligible for subsidy have now been withdrawn entirely from the order at the request of the manufacturers or the trade.

There are only some 29 eligible items still on the list and on a number of these no claims for subsidy have yet been made.

Another indication that subsidy payments have not been as great as feared has been the consumer subsidy announced last December on oranges, tea, coffee and milk to prevent a further rise in the cost-of-living index.

	$
Import Subsidies (Total)	34,161,587
Petroleum	24,028,437
Textiles:	
Woven fabrics (cotton)	2,242,885
Sisal	1,064,291
Cotton linters	183,259
All other textiles	619,000
Foodstuffs:	
Tea	1,198,680
Cocoa beans	693,033
Prunes	471,243
Rice (uncleaned)	445,164
Oranges	122,889
Grapefruit juice	212,539
Other foods	255,000
Other Items:	
Raw hides & skins	699,981
Copra	536,683
Coal, anthracite	292,190
Brown corn	359,636
Fertilizer ingredients	278,582
Tableware, etc.	37,156
Metals & manufactures	34,216
Domestic Subsidies (Total)	30,999,920
Butterfat	10,078,598
Milk: consumer subsidy	3,660,360
Primary producers (1941-42)	2,906,815
Primary producers (1942-43)	2,172,936
Footwear	3,272,490
Tea & coffee inventories	2,682,398
Groceries (Order 116)	1,536,573
Canned goods: (Specified) (1942 prod.)	1,509,094
" Inventory (Mar. 31/42)	138,442
" '41 prod. sold after Apr. 1, 1942	126,292
Garment leather	1,283,519
Coal	1,185,647
Butter inventories	212,160
Peaches	52,990
Strawberries	72,286
Fertilizer	31,153
Flaxseed (freight)	19,487
Trading Losses: C. P. S. C. (Ltd.)	2,111,383
Wartime Food Corp.	831,498
Canadian Wool Board	62,020
Wartime Salvage	435,627
Total	3,440,529

DIRECTOR

H. T. Jaffray, general manager of the Imperial Bank of Canada, who this week, was elected a director of the bank.

New Peaks Hit By TTC in '42

Gross revenues of Toronto Transportation Commission, city-owned transit and interurban bus system operator, in 1942 were higher than in any previous year and also showed a greater gain from the preceding year than ever before.

The commission reports a gain of about $3.7 millions in holdings of government and municipal bonds at $6.6 millions, nearly $5 millions being Dominion bonds. This fund will be required to replace street cars and other equipment when they can be obtained, it is stated.

Debenture debt of the commission was $15.2 millions at the end of 1942, a reduction of $1.7 millions during the year.

At Dec. 31, 1942, the commission owned 946 passenger street cars, 76 electric service cars which includes 28 snow sweepers, 17 snow plows and scraper cars, 364 motor buses and coaches, 34 motor trucks and 14 motor plows and sanders. Sixty new street cars were received and put into service in the spring of 1942 and 55 additional cars ordered for delivery late in 1942. Due to wartime priorities, however, none of the latest orders have yet been received. It is expected 15 will be delivered this fall and possibly 25 in the early summer of 1944. Delivery of the balance is still more uncertain.

During the year 25 new city transit type buses were received and the fleet of the commission's subsidiary, Grey Coach Lines, augmented by 32 coaches. On order of the transit controller, 15 old street cars, six buses and five coaches were sold to other transit companies in urgent need of equipment.

Consol. Income Account—Years Ended Dec. 31

	1942	1941
Revenue:		
Railway and bus	$14,866,548	$12,057,975
Motor coach	2,645,950	1,907,805
Interest	148,292	99,984
Other income	350,539	302,737
Gross revenue	18,011,328	14,368,501
Less: Expenses	10,174,506	8,308,365
Net earnings	7,836,822	6,060,136
Less: Int. paid city	942,469	1,029,818
Debenture retire	1,725,017	1,627,585
Deprec. & amortiz.	2,026,802	1,763,844
Reserves	2,384,000	1,476,000
Surplus for year	758,534	162,890

HEAD MAYOR

Mayor Adhemar Raynault, of Montreal, who was elected president of the Canadian Federation of Mayors and Municipalities at its annual meeting in Ottawa recently. Mr. Raynault was elected to the Quebec Legislative Assembly in 1936 and became mayor of Montreal the same year.

Government, Municipal and Corporation Bonds

In matters relating to investment or the underwriting and distribution of securities, the facilities of our organization are always at your disposal.

Bond offerings furnished upon request.

36 King Street West, Toronto, Telephone: ELgin 4321 — **Wood, Gundy & Company Limited**

Canadian Celanese Ltd. has declared a dividend of 25 cents a share on the common stock for the second quarter, plus a bonus of 25 cents, together with the quarterly dividend of $1.75 a share on the preferred. All dividends are payable June 30 to shareholders of record June 15.

International Power Co. will redeem all its outstanding 6% debentures, due 1955, on July 2 next, at 103 and accrued interest. The amount outstanding at the end of 1941, the last issued report, was $1,243,000. This was exclusive of $451,000 held by the company.

DYESTUFFS

In Canada there are ample dyestuff stocks available both for our War requirements and Civilian needs. A wide range of colours can still be obtained to meet most fastness requirements.

Ciba Company Ltd.
Ciba Building
1235 McGill College Ave.
MONTREAL, QUE.

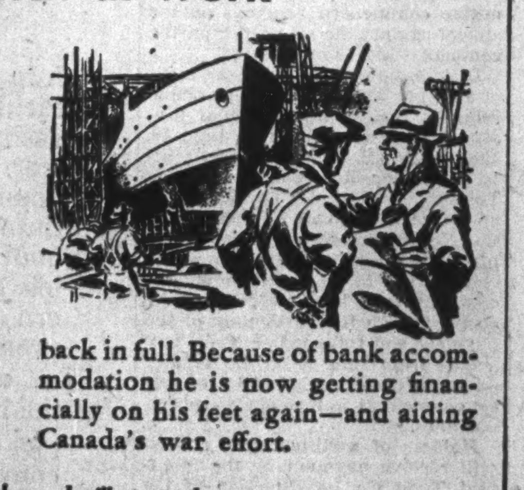
EVERY GENERAL MANAGER today heading a Chartered Bank entered the bank as a junior in some small branch.

Here's the Manager of one such branch at work

"MY HUSBAND'S had a nervous breakdown—just worry. He left his job in the shipyard to go into logging. But his health suffered and the doctor says he's got to take a complete rest. But we haven't any ready money. How can he rest?"

The bank manager listened to her troubles sympathetically. He knew the husband, knew the wife—both sound citizens. The bank advanced the money on personal security . . . on the good character of two honest, hard-working people.

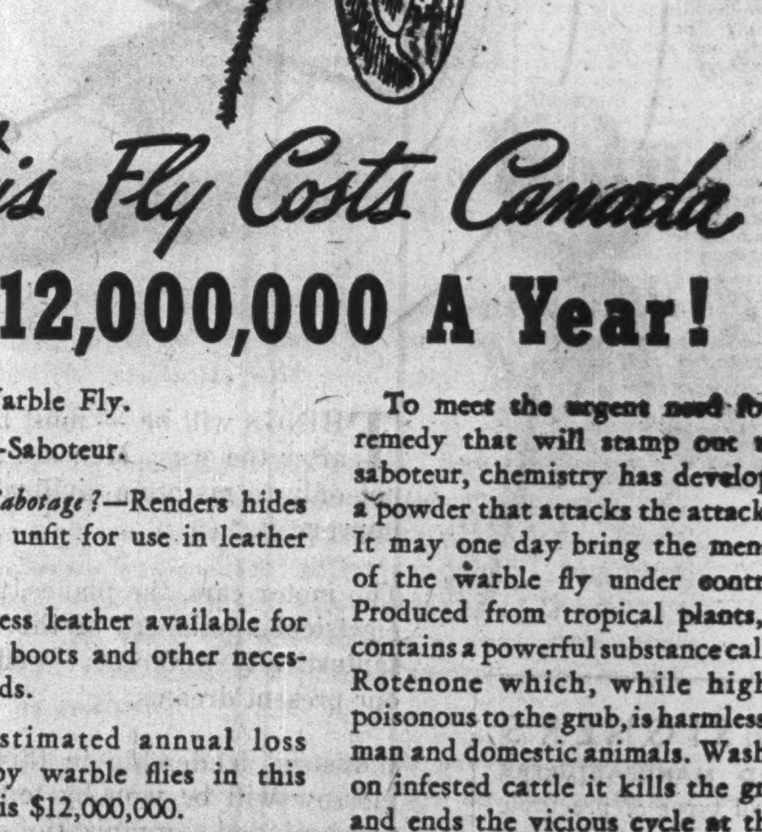
In a few weeks, Fred was well again and working in the shipyard. The loan was paid back in full. Because of bank accommodation he is now getting financially on his feet again—and aiding Canada's war effort.



This true story—only the name is changed—illustrates how Canada's Chartered Banks, day in and day out, serve the human as well as the financial needs of Canadians.

THE CHARTERED BANKS OF CANADA

CHEMISTRY HELPS TO WIN THE WAR



This Fly Costs Canada
$12,000,000 A Year!

Name?—Warble Fly.
Character?—Saboteur.
Nature of Sabotage?—Renders hides of cattle unfit for use in leather goods.
Result?—Less leather available for soldiers' boots and other necessary goods.
Cost?—Estimated annual loss caused by warble flies in this country is $12,000,000.

Sometimes called the heel fly, the warble fly lays its eggs amongst the leg hairs of cattle. These hatch into grubs and work their way through the animal's body to its back where they punch through the hide. The grubs then drop to the ground and begin their destructive cycle all over again.

To meet the urgent need for a remedy that will stamp out this saboteur, chemistry has developed a powder that attacks the attacker. It may one day bring the menace of the warble fly under control. Produced from tropical plants, it contains a powerful substance called Rotenone which, while highly poisonous to the grub, is harmless to man and domestic animals. Washed on infested cattle it kills the grub and ends the vicious cycle at that point.

C-I-L Warble Fly Powder is manufactured by the Fertilizer Division of Canadian Industries Limited. A boon to farmers, this chemical product will help to save valuable hides for the production of essential leather goods, especially boots for our fighting forces.

Making war on the warble fly is another example of products of Industrial Chemistry which are aiding Canada's war effort.

CANADIAN INDUSTRIES LIMITED

Company Reports

Tip Top Tailors

Tip Top Tailors Ltd. reports a gain of more than $330,000 in operating profits in 1942 from the preceding year. Higher taxes and provision for inventory reserve, however, resulted in a decline in net. Dividends paid on the common stock last year totalled 45 cents a share in place of 60 cents, with the rate being halved last October. The balance sheet shows $25,000 as estimated refundable EPT, presumably included in the year's profits.

The company has appropriated $31,430 from surplus to provide for its liability under its guarantee of dividends of Tip Top Tailors Inc., the U.S. subsidiary now dissolved.

The company's own preferred shares outstanding, have been reduced from 10,068 at the end of 1941 to 9,838 now. Working capital shows an increase of $280,000, although bank loans are practically unchanged at $1.1 millions.

Consol. Income, Surplus—52 Weeks Ended	Jan. 2 1943	Jan. 3 1942
Operating profit	$882,128	$558,932
Add: Other income	2,442	6,092
Total earnings	884,570	565,024
Less: Exec. & legal	61,417	64,643
Directors' fees	1,900	1,200
Depreciation	122,646	123,879
Income & E. P. tax.	370,000	150,603
Inventory reserve	150,000	....
Net profit	172,606	224,497
Less: Pref. divds.	69,385	70,512
Common divds.	54,000	72,000
Surplus for year	49,221	81,985
Add: Previous surplus	709,611	721,886
Less: Adjustments	53,919	94,260
Earned surplus forw'd	704,913	709,611
Earned per share:		
Common	$0.86	$1.28
Paid	0.45	0.60
Working capital	$1,787,640	$1,509,012

Photo Engravers

Photo Engravers & Electrotypers Ltd. reports a reduced net profit for the year ended Feb. 28, 1943, equivalent to 70 cents a share compared with $1.35 for the previous year. Regular dividends of $1 a share were paid but W. T. Northgrave, president, informs shareholders that this year's dividend policy will depend on current earnings.

Rotogravure and color printing was a "war casualty" last year as bulk of this work is advertising material for the civilian trade.

Income, Surplus—Years Ended Feb. 28	1943	1942
Operating profit	$113,807	$146,382
Add: Other income	6,029	5,944
Total earnings	119,836	152,326
Less: Exec. & legal	28,003	29,842
Directors' fees	320	440
Depreciation	56,632	53,539
Income & E. P. taxes	13,952	29,050
Net profit	20,928	39,455
Less: Common divds.	30,000	30,000
Surplus for year	*9,072	9,455
Add: Prev. surplus	368,494	358,841
Profit on assets	281	980
Less: Life insurance	1,299	482
Earned surplus forw'd	358,304	368,394
*Deficit.		
Earned per share:		
Common	$0.70	$1.35
Paid	1.00	1.00
Working capital	$435,309	$406,683

Silverwood Dairies

Silverwood Dairies Ltd. reports a gain in sales of over $1 million at $10.4 millions for year ended March 31, 1943. Higher costs for materials, supplies and expenses, as well as taxes, resulted in reduced net profit. Financial position has been well maintained, with a reduction of $100,000 in first mortgage bonds, leaving total funded debt at $2.7 millions. The company redeemed 15,000 preference shares last year, reducing number outstanding to 130,000 shares. This reduces annual dividend requirements by $6,000.

A. E. Silverwood, president, draws attention to the low margin of profit for each dollar of sales. Reduced to terms of a quart of milk delivered at a price of 12 cents, less than half a cent gross profit per quart is earned and less than a fifth of cent after taxes.

The company has completed writing off the cost of acquiring Canadian patent rights for the "cream top" bottle which has been at least $10,000 annually for some years. This will relieve earnings of this charge in the future.

Mr. Silverwood mentions that the company is now distributing more than 130,000 quarts of fluid milk or its equivalent every day. It makes more than five million pounds of butter annually in addition to many carloads of milk powder and evaporated milk. At present the company is dehydrating more than 30,000 doz. eggs daily.

Consol. Income and Surplus Account Years Ended March 31	1943	1942
Sales	$10,404,460	$9,354,320
Less: Cost of materials	7,216,521	6,365,300
Selling & gen. exp.	2,179,534	2,091,577
Operating profit	1,008,385	897,443
Add: Other income	36,623	41,820
Total earnings	1,045,008	939,263
Less: Ex. adm. exp.	156,287	141,660
Depreciation	122,065	273,188
Interest	148,875	153,378
Inc. and E.P. taxes	*298,000	189,000
Amortization	8,725	9,857
Net profit	139,335	175,183
Less: Preferred divds.	55,000	58,000
Common dividends	70,639	105,939
Surplus for year	13,696	*11,224
Add: Previous surplus	292,009	134,533
Refundable E.P.T.	25,000	....
Tax & other adjust.	....	146,250
Less: Prem. on pf. red	42,365	....
Earned surp. forwd.	296,340	292,009

*Includes $33,000 refundable E.P.T., included by company in year's profits.

Earned per share:		
Preferred	$1.07	$1.21
Paid	0.40	0.40
Common	0.48	0.60
Paid	0.40	0.60
Working capital	$809,073	$908,800

Chateau-Gai Wines

Chateau-Gai Wines Ltd. reports that sales up to the end of 1942 were 18% higher than over the same period of the previous year. This increase was due almost entirely to the government's curtailment order restricting sale of wine for the 12 months ended Oct. 31, 1943, to 80% of the sales in the 12 months ended Oct. 21, 1942. Retroactive operation of the order had the effect of further reducing sales that could be made during the restricted period, A. G. Sampson, president, points out.

Wine industry has been placed in the non-essential class and is given no aid through priorities on supplies which are becoming difficult to obtain. Drastic labor shortage is expected in the near future from recent government regulations. This combination, adds Mr. Sampson, will be felt by grape growers of Ontario who depend on the wine industry for a substantial portion of their market. Excise tax, sales tax, income and excess profit taxes and provincial tax paid by the company in the year ended April 30 last totalled $392,712, or $3.44 a share on the common.

Consol. Income, Surplus Years Ended April 30	1943	1942
Operating profit	$111,510	$107,487
Less: Exec & legal	16,191	15,072
Directors' fees	750	430
Depreciation	27,126	36,299
Inc. & E. P. taxes	40,823	27,888
Net profit	26,634	27,798
Less: Com. divds.	....	23,500
Surplus for year	26,634	*702
Add: Previous surplus	58,320	56,113
Tax adjustment	....	2,909
Less: Loss on assets	11,139	....
Earned surplus fwd.	73,815	58,320
*Deficit.		
Earned per share:		
Common	0.23	0.24
Paid	....	0.25
Working capital	674,111	613,674
Balance Sheet Changes		
Cash	6,708	1,182
Inventories	29,365	54,365
Accounts rec.	81,725	131,990
Inventories	728,373	711,615
Bank loans	99,500	189,500

Andian National

Andian National Corp., pipe-line subsidiary of International Petroleum Co., reports operating profits for 1942 less than a third as great as in 1941. Net profit is equivalent to 87 cents a share compared with $2.47. The company omitted the semi-annual dividend customarily paid last December and has made no payments since. Effect of the war last year was to reduce shipments of crude oil from Colombian oil fields, thus cutting the company's revenues.

Colombian legislation passed in 1942 provides for the compulsory purchase in 1943 of Colombian National Economic Defense Bonds. Andian National's obligation in this direction at Dec. 31, 1942, was $181,000.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$2,793,207	$9,008,068
Add: Other income	372,692	454,850
Total earnings	3,165,899	9,462,918
Less: Exec. & legal	76,606	88,412
Depreciation	112,679	424,877
Income & capital tax	481,382	1,182,209
Paid Col. govt.	54,294	143,164
Investment res.	213,112	1,324,341
Net profit	2,227,826	6,299,915
Less: Common divds.	2,550,000	7,650,000
Deficit for year	322,174	1,350,085
Add: Prev. surplus	1,415,427	1,730,337
Tax & deprec. ad. (net)	62,625	1,035,175
Earned surplus forw'd	1,155,878	1,415,427
Earned per share:		
Common	$0.87	$2.47
Paid	1.00	3.00
Working capital	$8,648,747	$8,899,367

Confed. Amusements

Confederation Amusements Ltd. reports gross income in 1942 of $646,474, as against $585,961 the year before. Due to higher taxes, net profits available on the preferred stock dropped to $6.21 a share, compared with $6.93 a share in 1941.

Balance sheet shows a moderate drop in working capital, reflecting the purchase of the Dominion Theatre in Montreal last November. Previously this theatre had been operated under lease.

Income and Surplus Account Years Ended Dec. 31		
Gross income	$646,474	$585,961
Less: Theatre exps.	274,971	267,746
Other expenses	267,018	210,049
Depreciation	46,854	46,467
Interest chgs.	22,931	24,499
Debt discount	1,359	......
Net profit	33,340	37,200
Less: Pfd. dividends	32,184	37,534
Surplus	1,156	*334
Previous surplus	33,847	34,180
Surplus forward	35,003	33,846
*Deficit.		
Pfd. share earned	$6.21	$6.73
Working capital	$55,074	$94,449
Balance Sheet Changes		
Funded debt	$460,200	$472,400
Cash	55,039	90,235

Dominion Textile

With dollar sales of about $60 millions and an output from the conversion division of over 167 million yards of finished goods, Dominion Textile Co. reports gross income in the year ended March 31, 1943, of nearly $11.8 millions, or practically the same as the year before. Prior charges were much the same, leaving net profits of $5.56 a share, as against $5.23 a share the year before. The 1943 report reveals that the refundable portion of the excess profits tax was equivalent to $3.25 a share on the common stock.

Working capital improved during the year by over $1.4 million. While cash was lower, there was a substantial increase in accounts receivable, investments and inventories. There was a further decline in funded debt, while over $500,000 was spent on plant.

Income and Surplus Account Years Ended March 31	1943 $	1942 $
Operating profit	11,227,592	11,225,814
Add: Other income	562,910	681,488
Total earnings	11,790,502	11,907,302
Less: Exec. remun.	79,312	79,650
Directors' fees	10,120	11,025
Legal fees	7,785	26,358
Depreciation	2,200,000	2,084,431
Interest	142,896	145,646
Income & E. P. taxes	*7,700,000	8,000,000
Debt discount	13,505	13,505
Net profit	1,636,884	1,546,624
Less: Pref. divds.	135,842	135,842
Common divds.	1,350,000	1,350,000
Cont. reserve	120,981	......
Surplus for year	30,062	60,782
Add: Prev. surplus	5,226,854	5,166,072
Earned surplus forwd	5,256,916	5,226,854
*Refundable portion $880,000.		
Earned per share: Com.	$5.56	$5.23
Working capital	13,806,741	12,463,523
Balance Sheet Changes	$	$
Cash	113,915	963,257
Accts. receivable	6,000,255	4,660,983
Investments	9,308,016	7,197,450
Inventories	7,820,481	6,976,366
Funded debt	4,100,000	4,200,000
Fixed assets	32,359,953	31,838,361

Castle-Trethewey

An increase in earnings from five to six cents a share is reported by Castle Trethewey Mines for the year ended March 31, 1943, while working capital, including market value of investment portfolio showed an increase of over $1.2 millions or nearly 50 cents a share.

During the year a further $50,000 was received on advances to Omega Gold Mines, reducing these to $150,000. Omega's operating profit amounted to $61,706 for the year.

No details are given on the Castle-Trethewey investment portfolio.

Income & Surplus—Years ended March 31	1943	1942
Dividends & exchange	$180,863	$160,241
Add: Sundry revenue	212	1,010
Less: Taxes	6,845	6,749
	174,230	154,502
Less: Gen. expenses	1,353	1,324
Admin. exp., etc.	12,557	12,700
Insurance	820	1,010
Taxes & rentals	628	3,155
Inc. & E. P. taxes	1,500	......
Net profit	157,372	136,313
Add: Prev. surplus	1,199,264	1,060,193
Adjustments	1,799	2,893
Less: Adjustments	......	135
Balance forward	1,358,435	1,199,264
Before depreciation.		
Earned per share	$0.06	$0.05
None paid.		
No. of shs. outstanding	2,709,002	2,709,002
Working capital*	$3,576,802	$2,341,605

*Taking securities at market.

Omega Gold Mines

With war conditions necessitating a 21% reduction in tonnage milled, Omega Gold Mines operating profit showed a reduction to $61,796 the year ended March 31, 1943, with a net loss of $21,629 after depreciation charges.

Production for the period was $726,851 from 136,228 tons of ore milled compared with a 1942 output value of $876,400. Ore reserves at March 31, 1943, totalled 400,000 tons of 0.153 oz. grade, a reduction of approximately 25,000 tons from the end of the previous year when grade was 0.16 oz. The internal shaft below the 1,550-ft. level has allowed opening of three new levels and crosscutting and drilling will soon be proceeding at the new 1,800 and 1,975-ft. levels with expectation of opening ore on them, it is stated.

Working capital, including supplies, totalled $190,669 at March 31, 1943.

Ontario Tobacco Plantation Ltd. has declared a dividend of $3 a share on its 7% preferred stock, payable June 15, 1943, to shareholders of record June 1. This is the first dividend to be paid since July 3, 1939. Arrears after taking into account the current payment will amount to $77.50 a share.

VICTORY LOAN BONDS

BELL, GOUINLOCK & CO. LIMITED

MONTREAL TORONTO WINNIPEG

From the Twenty-first Annual Statement

Toronto Transportation Commission

December 31st, 1942

In submitting to the city the twenty-first annual statement of the Toronto Transportation Commission, the Commissioners, Wm. C. McBrien, Chairman; Wm. Croft, Vice-Chairman; and W. G. Russell said in part:

The financial results for the year were by far the best in the Commission's history, and again reflect the constantly increasing activities brought about by the war. The net income was sufficient, after providing for necessary reserves, to transfer over seven hundred and fifty-eight thousand dollars to accumulated surplus.

The gross revenue of the system was the highest for any year on record, and exceeded the previous peak year of 1929 by more than three million five hundred thousand dollars. The number of revenue passengers carried on the city street railway and feeder buses in 1942 was 238,991,803, an increase of 45,383,325 over the number carried in 1941, or 23.44 per cent. This total for 1942, the highest number ever carried, was over ninety-one million or 61.9 per cent in excess of the number carried for the year 1933, the lowest year on record.

Operating expenses in 1942 were also greater than in the preceding year, due primarily to the large expansion in the transportation services required to provide for the additional passenger traffic, and also because of increases in wages and higher costs of materials and supplies.

Your Commissioners are fully aware of the need of adequate and efficient transportation in this war emergency. The new regulations for 1943 governing the rationing of gasoline will undoubtedly add new burdens to the already heavy demands on the system, but every possible step will be taken to provide good service. The co-operation of industry and business in staggering their hours of work, and consequently the hours of using transit facilities, has done more than any other one thing to reduce the crowding of cars; but the Commission is keenly aware that because of war conditions the service cannot always be as convenient or comfortable as in normal times.

Your Commissioners are glad to report a settlement with the City in the matter of taxes on its buildings and business assessment which, under municipal ownership, were exempt from taxation under the Assessment Act. The Commission has felt for some time that the transportation system should pay these taxes, and under an agreement dated July 17th, 1942, with the City of Toronto the Commission has agreed, commencing with the year 1942, to pay to the City, in addition to the taxes now paid by it, taxes upon all buildings and all business assessment taxes. In addition the Commission will continue to furnish free transportation to the Blind, the War Amputation cases, but the City, on its part, will pay the Commission an amount equal to that paid by the Commission in respect to business assessments, as a contribution by the City towards the cost of such free transportation services.

Your Commissioners are, of course, gratified to present a report on the Transportation System which is of such outstanding record in all respects as the foregoing. There would be more satisfaction, however, if these new records in revenues and net income could be attributed to other reasons than peak employment in war industries, and drastic restrictions imposed on private means of transportation. No one imagines or can assume that with the coming of peace there will not be a sudden and great reversal of the present traffic conditions.

For the moment, however, there is no question that the record passenger revenues of the last year or so have brought the Toronto Transportation Commission to another peak of prosperity, as was the case in 1929, and even more so than then. As such a condition invariably raises questions of policy as to the operation of a service-at-cost enterprise like the Toronto Transportation System, it is desirable to re-state the views of the Commission on these questions.

Under service-at-cost, provided the Commission has made ample allowance for periods of depression, there are two alternatives for the disposition of an excess of revenues over all expenses.

The Commission, as trustee for the users of its services, can either use such earnings to reduce fares or to improve or augment the city services.

As is natural, having regard to the Commissioners' continuous and intimate contact with the system in their charge, the Act creating the Commission places upon them the sole responsibility for its control, operation and management. It is their duty, therefore, to decide, after the most careful study, which of these alternatives is the better one to adopt in the light not only of present but probable future conditions.

The question is discussed at some length in another part of this report. More than anyone else, your Commissioners appreciate their responsibility in the operation of the system, and while it is possible if the war lasts very long that some adjustment in fare could safely be made for a limited time, the Commission is of the opinion that, taking all factors into consideration, the greatest benefit to the car riders and to the City will result from continued and concentrated efforts to improve the transportation services.

A very large programme of improvements planned for the system is held up and deferred because of the present impossibility of obtaining materials and labour necessary to carry it out.

This includes not only the much needed separation of grades between main line street car routes and automotive traffic; but over twelve million dollars' worth of new equipment, garages and track construction is urgently required at the first opportunity.

In this post-war programme, the Commission must be a leader. It will indeed be expected to take a leading part. No one has emphasized the importance of this post-war planning more than Mr. Winston Churchill. In discussing the problems of the period which will immediately follow the war, he stated in his radio address of March 21st, 1943:

> "War cuts down all this forward planning. Thus when peace came suddenly, as it did last time, there were no long, carefully prepared plans for the future. That was one of the main reasons why at the end of the last war after a momentary recovery we fell into the dreadful trough of unemployment. We must not be caught again that way.
>
> "It is therefore necessary to make sure that we have projects for the future employment of people and a forward movement of our industries, carefully foreseen, and secondly that private enterprise and State enterprise are both able to play their parts to the utmost."

With this view your Commissioners profoundly agree, and believe that the car riders and citizens generally would heartily endorse the need and importance of such a programme for the post-war period.

If and when a fare reduction is warranted, the Commissioners would obviously be the most interested and the first to recommend it, as such a move would reflect added and personal credit on their present administration of the system.

GENERAL MANAGER'S REPORT

H. C. Patten, General Manager, supplemented the balance sheets as at Dec. 31, 1942, with a report, in which he pointed out:

Capital Assets in Road and Equipment increased about $1,155,500.00 as compared with the total at the end of the year 1941. This increase was due to the purchase of new equipment, including street cars, buses, coaches, and electrical machinery for new substations, and some small parcels of land.

Investments in Government and Municipal Bonds totalled $6,568,268.83 on December 31st, 1942, an increase of nearly $3,725,000.00 when compared with the amount so invested at the end of 1941. Nearly five million of the total bonds held are Dominion of Canada War and Victory Loan Bonds. The funds invested in the securities will all be required for the replacement of street cars and other equipment and facilities as and when they can be obtained.

The Debenture Debt of the Commission outstanding as of December 31st, 1942, was $15,161,384.43, a reduction of about $1,739,000.00 in the amount of a year ago.

All of the Operating Reserves and the Reserves for Contingencies show improvement over 1941, and in particular the reserve for obsolescence and losses due to war and for post-war rehabilitation and improvements has been augmented by the appropriation of $1,225,000.00 from the income of 1942.

Due to the conditions brought about because of the war, an amount of $575,000.00 was appropriated from the net income of the year 1941 for the purpose of setting up a reserve for losses due to war.

Such costs and losses may arise from many causes, principal among which are accelerated depreciation, obsolescence of facilities, amortization of the cost of additional assets acquired, and deferred maintenance. This reserve, however, must cover more than merely losses which are brought about by the war. The war is holding up many important improvements which normally would have been proceeded with as rapidly as possible, but which cannot be carried out because of the shortage of materials and labour. Money which would have been so spent in operating and maintenance costs cannot be classed as surplus or profits under such circumstances. Obsolescence is present to an increasing degree on the property.

Some of these contemplated improvements involve large sums of new capital, which again cannot be proceeded with because construction materials and men are not available in war time. When these improvements are made there will be large losses for property made useless or destroyed before the expiration of its normal life.

GRAY COACH LINES, LIMITED

All of the city and interurban motor coach transportation services of the Commission carried on at special rates of fare separate from the city street railway and feeder bus system, are operated by its subsidiary company, Gray Coach Lines, Limited.

As compared with the year 1941, the results for 1942 were as follows:

	1941	1942
Gross Revenue	$1,988,488.58	$2,728,499.68
Expenses of Operation	1,344,794.23	1,780,227.38
Income Available for Reserves and Dividend	$ 643,694.35	$ 948,272.30
Dividend at 5 per cent paid to Toronto Transportation Commission	50,000.00	50,000.00
Income Available for Reserves and Surplus	$ 593,694.35	$ 898,272.30
Appropriated for Reserves	531,674.20	757,307.98
Carried to Accumulated Surplus	$ 62,020.15	$ 140,964.32

The results of operation during 1942 were by far the best in the history of the Company. Gross Revenue was $2,728,499.68, an increase of $740,011.10, or 37.12 per cent, compared with the year 1941. The gross revenue was the highest on record. Operating Expenses increased about $435,000.00, due mainly to an increase in the coach services provided, an increase in the price of gasoline, and because of higher wages. The net income in 1942, available for depreciation, amortization of franchises, reserves, dividend and surplus, amounted to $948,272.30, nearly $305,000.00 more than for 1941.

The Invested Funds of the Company as at December 31st, 1942, amounted to $1,200,127.01, or nearly $584,000.00 more than at the end of 1941. A total of $1,015,000.00 is invested in Dominion Government securities, which include $790,000.00 War and Victory Loan Bonds.

During the year there were many changes affecting the routes and operation of the Company due to government wartime regulation and control.

CONCLUSIONS:

No previous year in history has witnessed such extraordinary over-all activity in Toronto as has prevailed during 1942. Unprecedented demands have been made on both the personnel and the facilities of the Transportation Commission, and the achievements during the year are a good measure of the efficiency of the system and of its ability to meet emergencies. The importance of the transit industry in war time has been amply demonstrated.

The importance of such transportation facilities has been recognized by the Dominion Government, which, by Order-in-Council, appointed a Controller for the industry in 1941. Under this Order the powers of the Transit Controller are very broad, but it may not be generally known how specific and direct this authority is. Some of the more important of the Controller's powers specifically direct him:

To order any transit company to furnish transportation facilities as directed, or to cease to operate or furnish any particular transit facilities.

Subject to the approval of the Minister, to take possession of and operate or sell or otherwise dispose of any street cars, buses or ferries or other vehicles.

Subject to the approval of the Minister, to acquire and operate any bus, tram car or ferry system, line or route, and to sell or dispose of same.

To alter or amend, as deemed advisable in the public interest, any contract between a transport company and any dominion, provincial or municipal authority.

To require the pooling of transit facilities.

To issue permits and licenses or to suspend, cancel or refuse such licenses.

To raise or lower age limits and standards of fitness of employees.

To require the substitution of women as employees.

To establish or adjust time-tables and schedules.

To establish or change rates of fare.

To control the use of any street, road, highway or other place by any vehicle or class of vehicle.

To prohibit or regulate parking at any time and in any place.

To order any employer to adjust the hours of work of his employees—in other words, to require the adoption of staggered hours.

Operations of the transportation system during 1942 have therefore been carried on subject to the foregoing background of government control. The primary effort of the Commission has been directed towards furnishing the most efficient, fast and convenient service possible for the workers in war industries. Due to the record employment in such industries, and due also to the increasing restrictions on private means of transportation, the business of the Commission in 1942 has attained all-time high records in revenues and net profits. It cannot be assumed, however, that these conditions would continue even for a short period, once peace was declared. There will obviously be a very sudden reversal of the present trend.

No service-at-cost undertaking such as a street railway can be operated at exactly cost every year. In times of prosperity reserves are and must be accumulated, and in times of depression, as street car and bus service cannot be cut below certain well established minimums, these reserves are available to maintain such services, even though the current year's operations show deficits. In 1931-1935, current deficits totalled $1,537,225.47, notwithstanding the fact that services were cut to the absolute minimum, over 1,600 employees were discharged, and the remainder voluntarily worked in many cases only three or four days weekly to avoid further layoffs. Every provision should be made to prevent a recurrence of such a situation.

Aside from making ample and conservative allowances for such periods of depression, the Commission has in addition two important considerations as to the disposition of net revenues which exceed the current costs of operation. They can either be used to reduce fares, or they can be used to provide improved transportation services.

Considering the first alternative—the possibility of a fare reduction, the present fare of four tickets for 25c and free transfers, as has been frequently pointed out, is as low as any comparable city on the North American continent. The children's rate is particularly low—ten tickets for 25c, and a students' rate of 7 tickets for 25c. To reduce the fare to 5c, as has occasionally been suggested, would result in a reduction in annual revenue of over $3,250,000.00, and of course immediately create monthly deficits. It would therefore be necessary to begin at once reducing the present reserves. In the opinion of the Commission, with the extreme uncertainty as to the length of the war and as to conditions in the post-war period, such a move is not in the best interests of the system or the car riders.

At the present time the car riders include a great many people who have become passengers merely because other means of transportation is not available. They will return to the use of private automobiles after the war. There seems no reason why this class of rider should benefit by a fare reduction now, and the Commission then be forced to raise the fare again to the regular riders when another depression may make such action necessary. It is far more equitable to use the excess revenues brought by these new passengers for permanent improvements to the service which will benefit the regular year to year patrons of the system.

A reduction in the fare at present would be exactly contrary to government policy which is to reduce all unnecessary riding. Moreover, the considerable increase in riding which would result could not be handled with the present equipment. The primary duty of the Commission during the war emergency is to carry workers to and from their jobs with the maximum efficiency.

The Commission believes that the vast majority of car riders prefer improvements in service to a possible saving of 2½c a day in car fare, even if such reduction could be made and present standards of service maintained. A car rider who now spends 45 minutes each way between home and place of employment would surely welcome an improvement which would reduce this to 30 minutes each way, if it could be done, rather than a small saving in the cost of continuing a 45-minute trip year after year. A car rider who now has to wait 4 or 5 minutes for a street car, or 10 minutes for a bus on some lines, would prefer to have the frequency of cars every 2 or 2½ minutes, especially in stormy or zero weather, than a saving of 1¼ cents per ride and no improvement ever made in frequency.

Simple as these illustrations may appear, such improvements require the expenditure of very large amounts of money before they can be accomplished.

There are numerous other improvements which can and must be made as soon as conditions permit.

A transportation system of exclusively surface car lines for main line routes is inadequate for the next twenty year developments in Toronto and the metropolitan area. To make these necessary changes alone will require large sums of money and involve obsolescence and losses on the present system, and reserves should be accumulated now for this purpose.

It should also be emphasized that any surplus funds accumulated in one or more prosperous years are all held intact for the future benefit of the system and the car riders. Under public ownership, these funds are never paid out in dividends or bonuses to absentee owners.

In the meantime, the money in the reserves is contributing importantly and definitely to the winning of the war, by its investment largely in Dominion Government Victory Loans.

Comparative Consolidated Income Statements

		Gross Revenue	Operating Expenses	Net Income	Interest and Retirement of Debentures
1921	(Four Months)	$ 4,071,969.73	$2,499,773.34	$1,572,196.39	$ 642,805.99
1922		11,651,512.49	8,468,841.54	3,182,670.95	1,837,977.28
1923		11,852,334.63	8,104,680.29	3,747,654.34	2,337,725.79
1924		11,709,695.28	7,788,563.81	3,921,131.47	2,733,285.64
1925		11,626,658.70	7,387,570.83	4,239,087.87	3,081,703.36
1926		12,050,304.23	7,508,915.80	4,541,388.43	3,273,045.60
1927		12,635,320.15	7,606,080.75	5,029,239.40	3,267,175.65
1928		13,269,718.47	8,172,306.49	5,097,411.98	3,217,151.74
1929		14,498,624.12	9,131,853.48	5,366,770.64	3,267,693.03
1930		14,068,379.51	9,008,602.85	5,059,776.66	3,111,899.08
1931		12,800,638.67	8,026,809.02	4,773,829.65	3,123,859.10
1932		11,243,785.48	6,987,428.33	4,256,357.15	3,120,850.79
1933		10,293,212.46	6,262,298.90	4,030,913.56	3,034,342.41
1934		10,570,097.77	6,482,152.84	4,087,944.93	3,011,554.59
1935		10,516,795.96	6,367,958.01	4,148,837.95	2,999,565.20
1936		10,650,096.34	6,488,398.83	4,161,697.51	2,959,684.47
1937		10,900,677.59	6,532,716.62	4,367,960.97	2,908,924.01
1938		11,047,066.49	6,739,753.88	4,307,312.61	2,952,473.45
1939		11,229,117.87	6,757,925.10	4,471,192.77	2,954,670.63
1940		12,210,884.76	7,222,426.96	4,988,457.80	2,811,874.99
1941		14,368,501.08	8,308,364.64	6,060,136.44	2,657,402.97
1942		[illegible],011,328.27	10,174,506.33	7,836,821.94	2,667,486.62

Toronto Transportation Commission and Gray Coach Lines, Ltd.
Consolidated Balance Sheet, December 31, 1942

ASSETS

CAPITAL ASSETS:		
Road and Equipment at cost, including land, buildings, substation equipment, electrical distribution system, trackwork, rolling stock, motor coaches and buses, machinery and tools		$53,636,464.90
Intangible Assets, at cost, being assessments for grade separation, franchise rights of Gray Coach Lines, Limited, etc.	$1,480,829.75	
Less: Amount of franchise rights of Gray Coach Lines, Limited, fully amortized from earnings and transferred from amortization reserve as of December 31, 1942	600,281.00	
		880,548.75
Debenture Discount and Expenses		1,449,736.00
Mortgages Receivable on property sold		13,015.78
TOTAL CAPITAL ASSETS		$55,979,765.43
INVESTED FUNDS:		
Dominion and Provincial Government and Municipal bonds at cost (market value $6,605,950.00)		6,568,268.83
CURRENT AND WORKING ASSETS:		
Book inventories of operating supplies valued on the basis of cost, as certified to by the management	$ 751,316.20	
Working funds advanced to agents, conductors, etc.	232,967.00	
Unexpired insurance premiums, prepaid licenses, taxes, etc.	25,239.41	
Trade accounts receivable, less reserve of $6,009.41 for estimated losses	177,762.73	
Interest accrued	46,203.88	
Treasury note receivable—City of Toronto	750,000.00	
Cash on hand and in banks	799,666.79	
		2,783,156.01
		$65,331,190.27

NOTE:
The outstanding debentures shown on the above balance sheet include debentures having a par value of $7,653,000.00 in Canadian dollars which are payable serially up to 1952 as to principal and interest in United States funds, at the holder's option. A reserve of $829,643.38 for foreign exchange is carried towards whatever premium the Commission may have to pay in connection with these debentures.

LIABILITIES AND RESERVES

CAPITAL ACCOUNT:			
Corporation of the City of Toronto:			
Par value of debentures issued for transportation purposes		$44,062,340.65	
Less: Proceeds of such debentures not requisitioned by Commission and applied by City Treasurer to redemption of debentures		1,989,214.55	
		$42,073,126.10	
Less: Funds obtained from earnings of Commission transferred to City Treasurer for redemption of debentures, and debentures redeemed out of surplus earnings of sinking fund of the City of Toronto	$26,251,641.54		
Amounts accrued to December 31, 1942, for redemption of debentures as shown in Sundry Liabilities	660,100.13		
		26,911,741.67	
			$15,161,384.43
SUNDRY LIABILITIES:			
Accounts payable, due and accrued		$ 904,889.59	
Accrual for debenture interest		43,793.33	
Accrual for redemption of debentures		660,100.13	
			1,608,783.05
DEBENTURE RETIREMENT RESERVE:			
Representing funds provided from earnings transferred to City Treasurer for redemption of debentures, as above		$26,911,741.67	
Less: Amounts applied in writing off Capital Assets acquired through debenture debt which has been retired at maturity, thereby eliminating such items from the accounts		714,849.68	
			26,196,891.99
OTHER CAPITAL RESERVES:			
Amount provided from earnings for depreciation and amortization not provided for by debenture retirement reserve, now invested in property and bonds		$13,880,602.37	
Reserve for foreign exchange		829,643.38	
			14,710,245.75
OPERATING RESERVES AND RESERVES FOR CONTINGENCIES:			
For workmen's compensation and public liability		$ 968,158.53	
For redemption of unpresented tickets		268,723.51	
For obsolescence and other losses due to the war and for post-war rehabilitation and improvements		1,800,000.00	
For contingencies		1,326,560.13	
			4,383,442.17
RESERVE FOR REVENUE STABILIZATION			1,500,000.00
ACCUMULATED SURPLUS			1,770,442.88
			$65,331,190.27

Comparative Consolidated Income Account

	1941	1942
REVENUE:		
Passenger Earnings:		
Railway and bus transportation	$12,057,973.31	$14,866,547.96
Motor coach transportation	1,907,804.72	2,645,949.57
Interest on invested funds and bank balances	99,983.91	148,291.74
From sundry other source	302,737.14	350,539.00
Gross Revenue	$14,368,501.08	$18,011,328.27
EXPENSES:		
Cost of electric current, including maintenance and operation of substations	$ 1,078,199.07	$ 1,206,122.42
All other operating expenses (except those dealt with below), including maintenance, repairs, taxes and expenses of administration	6,909,084.86	8,646,884.62
Provisions for:		
Workmen's compensation and public liability	320,000.00	320,000.00
Estimated losses on accounts receivable	3,080.71	1,499.29
Total Expenses	$ 8,308,364.64	$10,174,506.33
Income available for interest, depreciation and amortization and other reserves	$ 6,060,136.44	$ 7,836,821.94
FIXED CHARGES AND RESERVES:		
Transferred to City Treasurer:		
For debenture interest	$ 1,029,818.33	$ 942,469.17
For retirement of debentures	1,627,584.64	1,725,017.45
Provision for depreciation and amortization not provided for by debenture retirement reserve	1,763,843.81	2,026,801.77
Appropriated to the following reserves:		
Contingencies	250,000.00	350,000.00
Unpresented tickets	1,000.00	1,000.00
Foreign exchange	225,000.00	232,000.00
Revenue stabilization	425,000.00	375,000.00
*Obsolescence and other losses due to the war and for post-war rehabilitation and improvements	575,000.00	1,225,000.00
Total Fixed Charges and Reserves	$ 5,897,246.78	$ 7,078,288.39
Balance of Income for the year, carried to accumulated surplus	$ 162,889.66	$ 758,533.55

GENERAL STATISTICS — 1942

Revenue passengers carried—City System	238,991,803
Transfer passengers carried—City System	124,582,251
Revenue passengers—City System—normal week day	760,000
Transfer passengers—City System—normal week day	398,000
Passengers carried—Gray Coach Lines, Limited	8,708,989
Car and bus miles—City System	31,999,038
Coach miles—Gray Coach Lines, Limited	6,808,475
Car and bus miles operated—City System—normal week day	100,000
Coach miles operated—Gray Coach Lines, Limited—normal week day	17,000
Miles of single track owned and operated	287.22
Bus and coach route miles	872.70
Number of street cars owned	946
Number of buses and coaches owned	364
Longest direct trip—City System—miles	12.00
Longest single route—City System—miles	10.04
Fares: (within city limits)	
Adults	10c cash—4 tickets for 25c
Children (not over 53½" in height)	3c cash—10 tickets for 25c
Scholars	7 tickets for 25c
Transfers	Free between all routes within city
Night Fares	Same as day fares
Average Fare—City System	6.171c
Annual electric power consumption in kilowatt hours	122,973,720
Annual gasoline consumption—imperial gallons	1,855,000
Number of regular employees	3,608
Annual payroll	$8,925,360
Population:	
Within city limits	669,130
Greater Toronto	912,953
Toronto citizens residing within 2000 feet of T. T. C. services	99.4%
Toronto citizens residing within 1000 feet of T. T. C. services	97.1%
Automobile registrations, City of Toronto (1942)	129,894
Persons per automobile, City of Toronto (1942)	5.15

The Editorial Page . .

Canadians and Free Trade

After the war, 67% of the Canadian people think that there should be free trade between Canada and the United States—that all products and merchandise crossing the border either way should be free of all tariff and customs duties.

Such is the finding of a recent Gallup poll by the Canadian Institute of Public Opinion. Opposing free trade were 17% and 16% were undecided. This overwhelming popular support for free trade came from both eastern and western Canada though heavier in the West (78% in favor) than in the East (63% in favor).

Very interesting is the breakdown of opinion among income and occupational groups. The business and professional group favored reciprocity 50%, white collar 65%, labor 71% and farm 72%. Upper income group favored it 57%, middle 71% and lower 67%.

The results are very challenging for some traditional tenets of Canadian business faith. They are particularly challenging, too, for those Canadian industries which, either for economic reasons or (in some cases) for lack of energetic, efficient management, have required tariff protection.

Such results of a national poll are not, however, altogether surprising. Among that large section of the public not responsible for carrying on a business enterprise, not particularly interested in or informed on economic matters, conclusions on the tariff are very easy. Canadians have long gazed over the tariff wall, gazing wistfully on prices of some American commodities. Undoubtedly many of those just polled thought a vote for free trade meant a vote for lower cost motor cars and cigarettes.

Undoubtedly many thought, too, that to vote for free trade was somehow the right, the informed, thing to do, because of the popularization of the view that tariffs and restraints on trade had much to do with bringing on the present war and with fomenting world confusion.

But however much tariff beneficiaries may wish to dismiss as uninformed or irresponsible the findings of the poll, they must very seriously take into account two significant facts: First, that public opinion on matters touching business was probably never more influential than today.

Second, that no Canadian political party is prepared to come out positively on the side of tariffs. Bracken is for levelling trade barriers. King has long avowed his tariff directions as downward rather than upward. Coldwell's position is not clear.

The rights and wrongs of tariff structures quite apart, it is devoutly to be hoped that one thing at least be done. Get tariff policy settled as promptly as possible after the war, and give that settlement as big a degree of permanence as possible.

Changes in tariff policy and threats to change tariff policy interfere gravely with the making of business plans, cause the postponement of all sorts of projects, weaken the capacity of business to give and maintain jobs.

There certainly will have to be a fresh examination of tariff policy after the war. New conditions will have altered the basis of our industrial life. Some industries, formerly dependent upon the home market, will be venturing into world competition and will be less interested in tariffs. Some other new industries may require a measure of protection if the nation decides it wants them to survive. Overshadowing all considerations will be the earnest desire of all Canadians to contribute to world recovery through freer international trade.

Behind Manpower Confusion

To National Selective Service, apparently, there is no such thing as a factory making several products. To that czar of labor distribution, judging by many of its rulings to date, a factory is classified according to one line of production only. It may be tanks, or shells or airplanes but it cannot be all three.

The other day a manufacturer of two well known war items was told that production of one of them was going to be cut in two. At the same time he was given increased orders for the other line which justified an increase in payroll of several hundred workers in addition to those who would be switched from the restricted line.

But when the plant owner applied to the local NSS office for help none was forthcoming. His firm had been newly classified and as a result of the cut in production on the one item, it was now placed into the category where it is not permitted to take on additional help and may indeed be called upon to divert its present labor to other plants.

It is this sort of red tape bungling, rampant in our manpower dealings right from the start of the war, that has landed us in the present muddle. Here we are in the fourth year of the war, still facing shortages in some critical lines which common sense direction could easily have prevented.

The Financial Post's Platform for War

1. *All manpower and resources, efficiently used, wherever needed, to win the war.*
2. *A national war cabinet of Canada's best, chosen not on party lines.*
3. *A non-political industrial executive to organize and direct procurement of war supply.*
4. *Pay-as-we-go policy, to the utmost possible limit to avert inflation.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *Planning NOW for postwar, by government and business, to ensure full employment and improving social standards through individual, competitive enterprise.*

Three Postwar Musts

Paul Hoffman, president of Studebaker Corporation and founder of the Committee for Economic Development which is doing such outstanding work in getting business stimulated into preparing now for meeting the challenge of the postwar period, last week gave members of the National Industrial Conference Board, meeting at New York, a very neat statement of the job ahead for business.

If free enterprise is to remain the structural base of our national economy, Mr. Hoffman said, the following three things are necessary:

"1—There must be a restoration of rewards for risk-taking on the part of business and industry. Our tax laws must be so revised as to stimulate vigorously the entrance of venture-capital into productive enterprise—where jobs can and will be created.

"2—Some solution must be found for the special problems of small businesses. It has been too tough for small businesses to be born of late. Small business is the bedrock of the free enterprise system.

"3—Both business and government must make every effort to see that competition is put back into the competitive system—to the fullest extent possible. Competition is a stimulant for the enterpriser. Without it his initiative and resourcefulness cannot be brought into play."

Mr. Hoffman's point about small business is most timely. The war has been very hard on much small business. The small business has less capacity than the big to navigate safely under current levels of taxation.

And it is indeed small business which is the heart and soul of the individual enterprise system.

Let's Clean Up Tariff

Canadian businessmen generally will agree emphatically with the Canadian Chamber of Commerce that complete overhaul of our tariff and tax structures is long overdue. Such a proposal is one of the major planks in the excellent brief presented by the Chamber on postwar reconstruction last week.

Both the tariff and tax structures of Canada are complicated and piecemeal affairs. Over the years they have been used as political footballs by both major political parties. There has been a great deal of tinkering largely based on individual interests, and with little regard to business as a whole or the welfare of the Dominion generally. The Chamber's brief points out that the tariff has never been completely examined since 1879 and that the revenue system is almost in the same category.

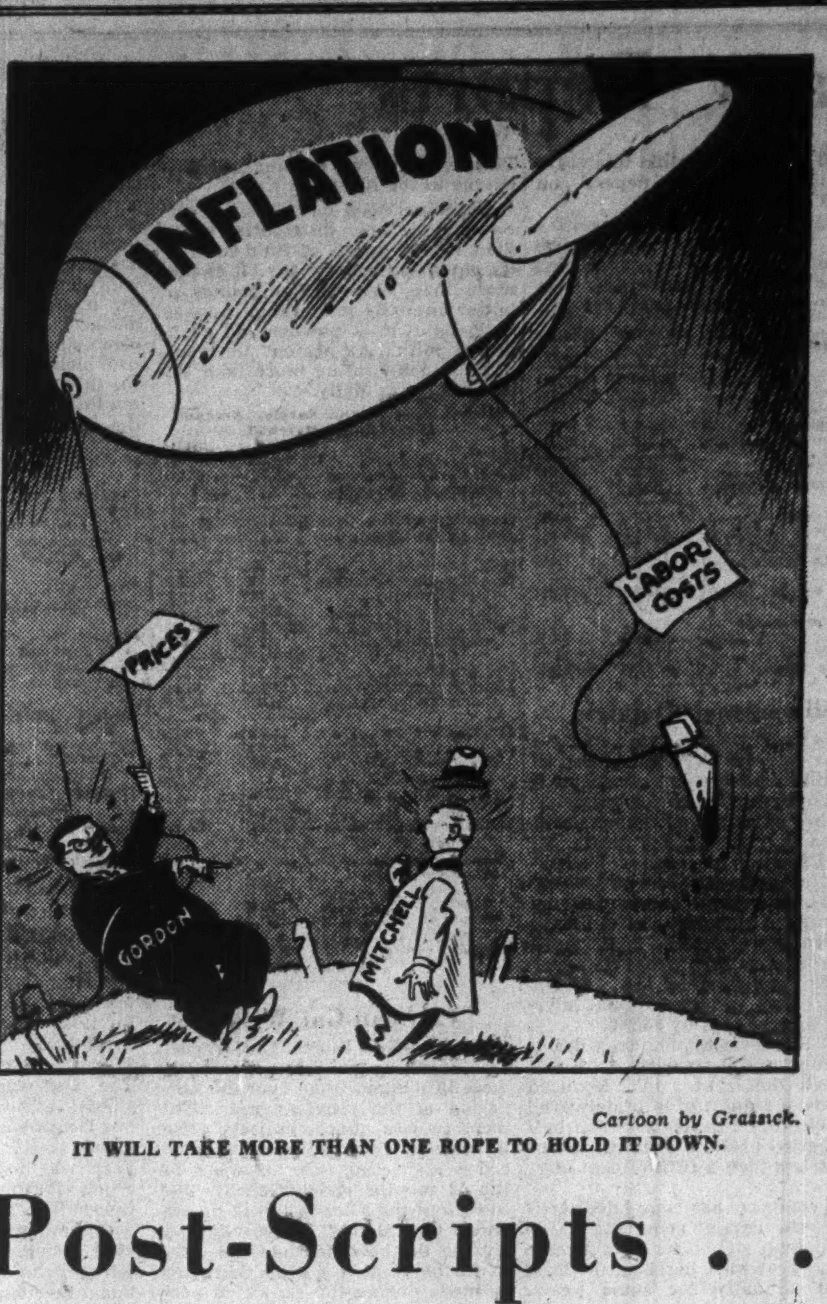
If Canada is to take full advantage of the postwar opportunity for new development then both these structures will need to be completely overhauled with the object of evolving a system which Canadians and the other peoples of the world with whom we deal, will readily understand. The Chamber of Commerce, while advocating a definite policy in dealing with these two problems, wisely urges that tariff changes in conformity with that policy, be made gradually and with advance warnings, so that industry may have an opportunity to adjust itself without undue hardship.

Building Customer Goodwill

Merchants with an eye to the future have an excellent chance to build up customer goodwill in these days of shopping troubles. On the other hand those store clerks and others who are taking advantage of the present sellers' market to "lord it" over customers are storing up a lot of grief for retail business when the supply situation is reversed. Many cases have come to the attention of The Financial Post where would-be buyers have been snubbed by clerks and delivery men, and in not a few cases by the owner of a small business himself. "You're lucky to get anything," sums up their attitude.

Housewives and others who have experienced the greatest difficulty in securing meat, butter, coal, clothes and scores of other scarce commodities in the last few months, won't forget these discourtesies readily. At present, they possess few means of retaliation. But after the war they will remember.

Handicapped by scarce and inefficient help, serious shortages in many lines, and the headache of rationing, all merchants face a real problem in maintaining friendly relations with their customers. But, solving it will be abundantly repaid in vital consumer goodwill.



Cartoon by Grassick.
IT WILL TAKE MORE THAN ONE ROPE TO HOLD IT DOWN.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

A Declaration of Faith and Purpose

Recently in a full page editorial entitled "Maclean's and Tomorrow," Maclean's Magazine outlined its creed for Canada after the war. The editorial is reprinted below:

• • •

We have a realistic faith in Canada's future and in the capacity of its people to make it a land wherein security, opportunity and prosperity shall reach new levels of achievement by the will to work, by the spirit of service and good citizenship.

We have confidence in the resourcefulness of Canadian farmers and other primary producers; in the skill and efficiency of Canadian industrial workers and management.

We believe that the creative and inventive genius of Canadians will be abreast of the world of tomorrow; that in the fields of chemistry, new metals, plastics, electronics, transportation, communications, etc., they will devise new materials and new methods that can usher in an age of advancement and of plenty.

We believe in the Canadian's strong instinct for personal liberty, and that only the democratic system fulfills that demand.

We believe with Mr. Churchill that—"The modern state will increasingly concern itself with the economic well-being of the nation, but it is all the more vital to revive at the earliest moment widespread, healthy and vigorous enterprise without which we shall never be able to provide in the years when it is needed the employment for our soldiers, sailors and airmen to which they are entitled after their duty has been done."

We believe that the essential foundation of any program to ensure security for the people is productive effort through free enterprise, unhampered by unnecessary or unsound restrictions.

We interpret free enterprise as individual initiative, as self-reliant citizenship dedicated to the common good.

We believe that such free enterprise, without which Canada's war production record would not have been possible, is a better method of getting the nation's work done than is bureaucracy or state monopoly.

We believe in the principle of incentives which stimulate people to work; in the profit system, properly controlled to benefit the many rather than the few.

We believe in a partnership of labor and management working with common aims and common responsibilities. We believe that to meet the challenge of tomorrow and successfully to solve postwar problems, management, labor, agriculture and government must co-operate.

We have pride in Canada's partnership in the British Commonwealth of Nations, and in sharing with the United States the same concepts of freedom.

We recognize, too, that in this air age Canada is a close neighbor of other great nations, notably Russia, China, Central and South America. We believe that Canada's position in the world demands that she be an eager party to every constructive international postwar effort to maintain peace and world security, to expand international trade and avert the economic and political causes of war.

We believe unity begins at home. Thus Maclean's will continue to present all angles of the Canadian scene. In free discussion the common man finds his basis of understanding and judgment. From this spring true national values and unity of purpose.

Other People's Views . . . . .

The Canadian Editorial of the Week

What Does Beveridge Mean?

Ottawa Journal

Sir William Beveridge, the man whose "report" is discussed by many and read by few, has been talking to Canadian newspapermen. Unless the talk got badly mussed up between Sir William's tongue and newspaper columns a great deal of what he said doesn't make sense. At one point he is reported thus:

"I am not at all sure that private enterprise can take the responsibility of both maintaining enterprise and showing a profit. It seems to me difficult, perhaps impossible, thus to serve two masters. I doubt if employment can be maintained without a very considerable monopoly in the national economy."

That seems definite enough. But a little later, discussing his social insurance plan, Sir William said:

"I see no reason why capitalism should not be able to support such a plan, if it can produce enough wealth to do so—and it certainly has produced enough wealth in the past."

These two statements are wholly contradictory. In one breath we are told that private enterprise may find it impossible to maintain employment; in the next that private enterprise ought to be able to produce enough wealth to support social insurance.

Certainly not all of Sir William Beveridge's prestige is likely to convince any great body of Canadians that to maintain postwar employment in this country abandonment of private enterprise will be necessary—if that is what he holds. Abandonment of private enterprise by Canada would carry with it conditions and implications which must seem to most of us impossible; conditions which would involve government in the business of exporting goods to foreign markets in competition with private exporters in other countries.

"You don't let private industry carry on a war," says Sir William Beveridge. Well, you don't let private industry carry on a war to the extent of raising and using armies; but in Sir William Beveridge's own country and in Canada and the United States private industry has been permitted to carry on a vast portion of the war—and has done it most successfully.

• • •

As Others See Us . . .

Too Late to Help

Charlottetown Guardian

Ottawa's belated move to draft men from "non-essential" industry into agriculture and other total war production seems designed more to placate public opinion than anything else, says The Financial Post. So far as food production is concerned, and it was here that the scarcity of help was most critical, the gesture comes far too late.

By the time this new work army has been trained for agricultural work, this year's food production problem will be pretty well over. Farmers have needed extra help for months and right now with seeding at hand the situation is actually desperate.

"Non-essential" workers can be trained, but it will take an average of a full year's practical experience on a farm before they can be worth much more than their board. For the first few months, in fact, they will prove a liability because an experienced farmer will have to supervise every job or risk serious loss through mistakes.

• • •

Encouraged

Arthur (Ont.) Enterprise-News

The Financial Post was evidently much encouraged by the recent triumphs of the United Nations in Tunis. The Post opened a fine article with the following paragraph: The Axis debacle in North Africa indicates that the final victory over Germany will not be as bloody or as far away as some commenators would have us believe. Given good leadership and superiority in equipment, the United Nations can win speedily and without staggering losses. It will only be necessary to convince the Nazis that their case is hopeless and they will surrender.

• • •

Who Gets War Profits?

Sudbury Star

Canadian business firms in general are turning out more goods than ever before in their history and approximately 100% more than in the pre-war year of 1939. But on the average the profits made by Canadian businesses are less now than before the war.

This striking fact, which should spike the canards of the C.C.F.'ers, socialists and their ilk, is contained in a summary concluded recently by The Financial Post, reputable Toronto business paper, in its annual reports for 1942. A total of 127 companies were included in the survey conducted, and it finds that the net profits in 1942 and 2.6 per cent less than in 1939. Dividends are down by 3%.

To hear the outcries of some reformers, one would think that business was enjoying a vast new field of profit from the war. You would be inclined to think that all the benefits of Canada's wartime expansion had gone into the hands of a few rich investors.

Instead, the more substantial financial returns of this war have gone to the working people through higher wages. The wages of invested capital have shown no general advance. On the contrary they have been slightly reduced. This has never been known to occur in any previous war.

To the socialist thinker, any profit earned by any private company is abhorrent, for it represents the chief evil of society, the profit motive. But it was the profit motive which enabled Canadians to organize the nation's industry for unprecedented production of war materials in an unprecedently short space of time. Factories sprang up almost overnight, and thousands of workers went to work to earn profit in the form of new wages.

• • •

Keep This Field Clean

Acton Free Press

Under the heading of "No Place for Party Politics," The Financial Post makes this very apt comment.

"As pointed out by the Citizens' Research Institute, good local government is almost entirely a matter of good administration. While there may be honest differences of opinion as to what constitutes good administration, such disputes need have no political overtones. The municipal field offers a useful training ground for those who wish to serve in a bigger political sphere, but the intrusion of party politics into municipal affairs would mean an expansion of the powers of party machines that would lead to grave abuse."

• • •

Sayings of the Week

"The Minister of Finance is becoming popular by degrees."—*T. L. Church, M.P. in the House of Commons.*

• • •

"We have not yet won this war, and we must not withhold any human effort in fighting it."—*Franklin D. Roosevelt.*

• • •

"The two major cost factors which can make or break the price ceiling and the whole stabilization programme are wage rates and farm prices."—*Donald Gordon, Chairman, Wartime Prices and Trade Board.*

• • •

"It seems inevitable that the place of the dominant power in Eastern Europe will in future be filled by Russia. If this is a fact, the sooner we recognize it the better. If we are wise, we will welcome it."—*Alfred Duff Cooper, former Minister of Information in the British Government.*

• • •

Stop Me If . . .

"Goodness, Russell! This is not our baby! This is the wrong carriage."

"Shut up! This is a better carriage."

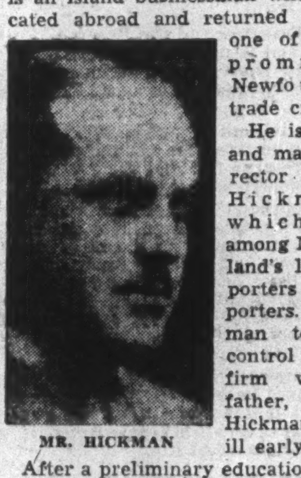
Post-Scripts . .

Following the custom established in previous years The Financial Post this week gives leading position in its Post-Script column in this issue featuring Newfoundland, to sons of the Empire's oldest North American settlement.

• • •

Leading Newfoundlander

Edgar L. Hickman, president of the Newfoundland Board of Trade in 1942, is an island businessman who was educated abroad and returned to become one of the most prominent in Newfoundland trade circles.


MR. HICKMAN

He is president and managing director of A. E. Hickman Co., which ranks among Newfoundland's largest exporters and importers. Mr. Hickman took over control of the firm when his father, A. E. Hickman, became ill early in 1941.

After a preliminary education in Newfoundland, Mr. Hickman went to England for four years. From there he went to Canada for a short business course, and in 1926 he returned to the island, where he worked in various departments of the firm.

In 1934 he became a director of the Bavarian Brewing Co., which was started in that year and of which he is now president and managing director.

Mr. Hickman is also on the directorate of the Dominion Atlantic Insurance Co., which was founded by A. E. Hickman, and on the board of Purity Factories, Ltd., and White Clothing Co. He has remained on the council of the Board of Trade.

Last year he was appointed to the Newfoundland Transportation Control Board, and he was also on the committee which recently brought in the report and recommendation which was carried by the Board of Trade and forwarded to London requesting a Royal Commission to investigate Newfoundland affairs with a view to restoration of some form of representative government.

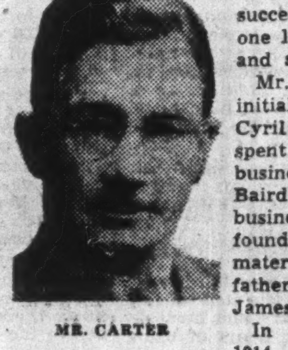
Schools which Mr. Hickman attended were the Lakefield Preparatory School, Lakefield, Ont., and Tonbridge School, Kent, England.

He has been a member for a number of years of the golf club and the curling association and a past president of both groups.

• • •

Island Booster

A firm believer in the future of Newfoundland is C. B. Carter, whose career with James Baird Ltd., St. John's, one of the Island's most important trading firms, has given point to the adage that the route to success is to pick one line of work, and stay with it.


MR. CARTER

Mr. Carter—the initials stand for Cyril Boyd — has spent his entire business life with Baird Ltd.; the business was founded by his maternal grandfather, the Hon. James Baird.

In November, 1914, he joined the First Newfoundland Regiment, which afterwards became the Royal Newfoundland, and was commissioned in December the same year. He was with the original regiment at Gallipoli, where he was severely wounded.

He returned to business in the fall of 1917, and was made a director of the firm in 1921.

Today Mr. Carter is wholehearted supporter of Newfoundland industry. He is shareholder or director of a number of various local enterprises, and envisages growing expansion in Newfoundland as an outcome of the war. More up to date methods, Mr. Carter believes, will prove the "shot in the arm" the fishing industry has been waiting for.

He has held various offices. In 1939 he was a Newfoundland representative at the London conference of fish producing countries. He is an ex-chairman of the Salt Codfish Association, of which he has been an executive member since its inception, and is a director of a number of exporters' groups. Recently he was elected president of the Newfoundland Game, Fish Protection Society.

Mr. Carter was educated at Bishop Feild College, St. John's and Merchiston Castle School, Edinburgh. He was born March 2, 1891. He was until recently a keen golfer. Like all good Newfoundlanders, he is an ardent trout and salmon fisherman.

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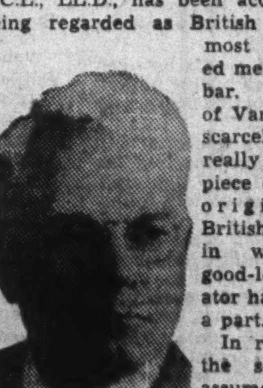
Forthright Senator

For a good many years now Senator John Wallace deBeque Farris, K.C., D.C.L., LL.D., has been accustomed to being regarded as British Columbia's most distinguished member of the bar. The people of Vancouver can scarcely recall a really important piece of litigation originating in British Columbia in which the good-looking senator has not taken a part.


SENATOR FARRIS

In recent years the senator has assumed the role not only of elder statesman but of friendly adviser to British Columbia. Always a man of definite views, he recently presented to a private gathering in Vancouver some of his views on Canada's national problems. These views are interesting if only because they represent the attitude of a man who has probably been given as great an opportunity as anyone else in the country to appraise the sentiment of business, especially in the West.

No friend of the system of wartime controls, Senator Farris believes that as soon as the war is over Donald Gordon's Prices and Control Board must be scrapped.

"Almost everything today coming within the activities of this board," says the senator, "is a wartime invasion of the field of civil rights. After the war the good old constitution will assert itself unless some revolutionary party comes into power prepared not only to overthrow our present economic and social institutions but also our constitution as well."

But the senator leaves no doubt as to where his own preferences lie. "So long as Canada is part of the British Empire no scheme is as good as the present constitutional setup," he says, adding: "The solution of our postwar problems will not be made difficult by the rules under which we work, but by our own shortcomings.

"There is too much disunity in this country. There are too many persons and parties stirring up class hatreds and laying the foundations for enmity and discord. When this war is over Canada ought to be the country with the greatest opportunities in the world. The outcome will depend on the character and the will of the people and the recognition that the primary obligation rests with the individual man and woman."

A New Brunswicker by birth, Senator Farris is now 64. He was educated in New Brunswick and the University of Pennsylvania. In the early days of the century he went to British Columbia and was called to the bar of that province in 1903, subsequently becoming senior partner in the firm of Farris, Farris, McAlpine, Stultz, Bull & Farris. The second Farris in the firm was Wendell B. Farris, now chief justice of the supreme court of British Columbia. A one-time junior partner is Justice Gordon Sloan, former attorney-general of B. C. and now a member of the court of appeal.

Senator Farris was himself an attorney-general of the west coast province, succeeding the late M. A. Macdonald soon after the Liberals rode into office in 1916. He was re-elected in 1921, but resigned his joint portfolio as attorney-general and minister of labor in 1922 to resume his private practice.

Politics was in his blood, however, and in the general election he was a candidate for the House of Commons, but he met defeat. In 1937 he was appointed to the Canadian senate. In that year and the year following he was president of the Canadian Bar Association.

An acknowledged master in the courtroom and a devastating cross-examiner, the senator is rated one of the most eloquent public speakers in the West.

• • •

The Mail-box . .

Face Actual Fact

The "CCF," when criticizing "capital," should at least face actual facts.

After the last Great War, Ontario had a UFO (Farmer-Labor) government, which had a full term of office, but was wiped out by the electorate at the earliest possible moment.

Great Britain had a Labor government. Its policies exposed the British Empire to great dangers when this war began, and it narrowly escaped destruction, which would have enslaved us all to Germany.

I know of no socialist government that has ever accomplished anything of value anywhere in the world. In France and Germany atheistic socialists headed bloody revolutions, inevitably followed by dictators who tried to conquer the world.

The Christian men and women of Great Britain, the United States, and Canada, have been a great blessing to their own communities, and to the world. The great Christian industrialists (dubbed by the CCF "monopolists") have been a most important factor in saving the world from enslavement by Germany on two occasions.

W. H. Ridgeway, in his book, "In God We Trust," claims that all of the great industrial undertakings in the United States were founded by men who believed in God, and that he has found no atheist who ever built up any great American industry.

I will give one instance of a Christian foundation: Judge Gary, who organized the United States Steel Co. with a capital of one billion dollars, was a devout Christian. His company could produce rolling mill products two or three dollars per ton cheaper than any other competing companies in the United States. Yet he induced all of the companies to co-operate. For about 30 years, the American steel companies paid wages to their employees 50% higher than in Great Britain; and 100% higher than in Germany. For 30 years, there were no strikes. For the first 10 years, the shareholders received dividends of about 8% on the capital invested; about 5.05% during the next 10 years; and then only about 1.5% when there was a depression. In both wars they produced about 45% of all the steel products in the world. Thousands of other companies in Canada and the the United States have carried on their business on the same Christian basis. To be successful over a period of years, all businesses must be carried on according to Christian principles.

MALCOLM A. McKAY,
Port Arthur.

The Financial Post

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McTague Hearing

Briefs Stress Need for New Labor Policy

National War Labor Board Hears Representations From Diversified Groups

Briefs presented before the National War Labor Board by both employers and employees were largely agreed that formulation of a national labor code is vital for Canada. What that code should contain and what machinery Canada should set up to deal with labor problems, however, proved contentious points. Employers' briefs stressed the need for maintaining the wage structure which would be a burden under peacetime wage structure which would be a burden under peacetime conditions.

International Nickel Co.

Strong advocacy of the placing of all employer-employee relations under the jurisdiction of a special Dominion Labor Court, consisting of three Superior Court judges, is voiced in the brief International Nickel Co. of Canada presented to the National War Labor Board.

This step—and the setting up of "proper standards of conduct" for both employers and employees—would be implemented by a special War Measures Act Order-in-Council under the Inco plan.

Such an Order-in-Council would have uniform force throughout Canada, it is stated, and any more drastic measures required to maintain production in the present emergency would be superimposed on the basic standards of conduct by separate and special order.

Amplifying its proposal, the International Nickel brief states:

"The order should make it clear that the major function of the court is of a judicial nature, namely to hear matters which are instituted and presented to it by employers, employees or their representatives, and to make a judicial determination of those matters. The order should also make it clear that the court has no authority to make or force any agreement for or upon the parties on any of the subjects of collective bargaining but that, as in any commercial negotiation, it is for each party to decide whether it is or is not prepared to accept any proposal of the other party."

Seven Basic Standards

The Inco plan lays down seven basic standards to be observed by employers and six to be observed by employees. It would be the function of the Labor Court to see that these standards are upheld.

Proper employers' standards would be considered laid down under the Inco proposal if provision were made that it shall be an unfair labor practice for the employer:

1. To prevent or interfere with employees organizing or joining the union of their choice.
2. To contribute financial support to any labor organization.
3. To discourage membership in any labor organization by discrimination in hiring, conditions of employment, etc.
4. To effect a lockout unless notice in writing has been posted for a number of days previously.
5. To refuse to bargain collectively with the duly certified collective bargaining agency.
6. To discharge or discriminate against an employee for labor activities in accordance with standards.
7. To be a partner in any of the previous unfair labor practices.

Rules For Employees

For employees it would be an unfair practice—

1. To prevent or interfere with the employer's legal rights.
2. To strike unless a majority in the collective bargaining unit had voted by secret ballot to call such a strike at a referendum conducted by the court.
3. To take unauthorized possession of lands or premises or to engage in slow-downs or sit-downs.
4. To prevent or interfere with pursuit of any lawful work or employment or to obstruct or interfere with entrance or egress from any place of employment.
5. To prevent or interfere with disposition of materials, equipment or services.
6. To be a partner in any of the above.

Would Provide Fines

The plan proposed would make employer, labor organization and employee subject to fine for unfair labor practice as defined. The Labor Court would be charged with enforcement of standards, certification of units and collective bargaining agencies, strike votes, and would possess jurisdiction over any legal proceedings arising out of collective bargaining agreements. It would be required that every labor organization would organize under Part II of the Dominion Companies Act but that it should not become illegal because one of its objectives might be the restraint of trade.

Niagara Industrial Relations Board

In making its submission, the Niagara Industrial Relations Board spoke for over 30 employers in the Niagara Peninsula, all engaged in war industry. It was primarily concerned with possible confusion of authority should the Dominion Industrial Disputes Investigation Act be enforced in a province where there is existing labor-management legislation, as in Ontario. It felt the Ontario Collective Bargaining Act should govern matters in the field of union recognition, collective bargaining, etc., and that in Ontario "an opportunity should be given to operate under this act, at least until such time as it can be determined whether or not it is workable legislation."

With this end in view, the Niagara group recommended that NWLB advise the government not to invoke the Industrial Disputes measure for dealing with any dispute for which the Ontario act prescribes machinery.

Amendment of the Industrial Disputes Act to make sympathetic strikes illegal was urged by the Niagara board, which also calls for an amendment to rule out strikes resulting from jurisdictional disputes between unions. The Niagara men's brief says: "We think there is no justification whatever for stoppages of work in cases where there are no disputes between an employer and his employees."

On the question of wages, cost-of-living bonus, etc., the brief urges that NWLB determine whether control of wages is an essential part of price control and anti-inflation. Should it be found essential, the Niagara group believed that the government's wages and salaries control order should be "unequivocally adhered to despite pressure from sectional or factional groups."

The Niagara board, while in agreement with the claims of organized labor for representation on war boards and commissions, did not feel it "necessary or desirable" that equal representation be given in terms of labor's numerical strength. On this point the board says: "In most cases officials of these boards and commissions have been selected for their expert knowledge in certain fields but we believe that labor occupies a sufficiently important place in the country's present stage of development to recognize that it has a great deal to contribute to the administrative, as well as to legislative, side of government."

Aircraft Lodges

Enactment of a "Federal Code of Labor Rights," which would, in effect, constitute a federal collective bargaining act, forms the keystone around which the Canadian Aircraft Lodges of the International Association of Machinists centre their proposals to the National War Labor Board. The aircraft lodges state that they represent over 40,000 organized workers, the majority of Canadian aircraft workers.

Besides advocating the collective bargaining act, they propose that the National War Labor Board be given powers to handle major labor questions, that the NWLB administer the suggested national labor code, and that regional war labor boards be brought under the jurisdiction of the National War Labor Board itself.

It is proposed that a union representing over 50% of workers in a particular plant or industry be granted sole bargaining rights but that, in case of dispute, an election be held under NWLB auspices to "finally prove" its right as bargaining agency.

Definite time limits for the election and for employer to commence negotiations are suggested with the War Labor Board to have the power to decide upon the merits of union claims regarding wages, conditions of work, etc., if a deadlock is reached. It is proposed that it be made a criminal offense to form company unions.

"Stabilization proposals" advanced include:

1. Revision of wage control policy. (A minimum of 50 cents an hour is suggested for all Canadian workers.)
2. Measures to raise Quebec wage rates.
3. Revision of present taxation policy which is alleged to allow corporations to write off capital gains by special depreciation allowances.
4. Rationing of basic necessities.
5. Labor representation on all war boards handling production and labor-employee relations.
5. Labor representation on post-war planning committees.

Ontario Mining Association

Advocating special government consideration for the independent company union which has done good work in improving mining conditions in the past, the Ontario Mining Association brief to the National War Labor Board points out that the recent collective bargaining act tends to put such unions on the defensive.

It is pointed out that in the Ontario act there is no provision for recognition of a company union which is actually independent and not dominated or "improperly influenced" by the employer.

Asking that the government administrative bodies be not biased against independent company unions, the Association cites a low accident rate, improvement in working conditions and housing, grants to hospitals, etc., as things which can be attributed to the men's committees and the type of company union which has been common in the mining industry.

". . . Independent company unions lend themselves to negotiating of arrangements satisfactory to all employees of an industry and its management and avoid the urge to set up unions representative of crafts within that industry."

Reasons against breaking down company unions are advanced by the Ontario Mining Association as follows:

"The interests of large so-called central unions lend themselves to sacrifices of the interests of the employees in any industry in order to build up strength of the central union. The central union interest may be concerned primarily with the political aspirations of union bosses, and may quite well foster sympathetic strikes.

. . ."the demand of a large union controlled as to policy from outside Canada may quite well bring to bear other conditions than those applying to the industry itself. For example, the national economic welfare may be affected in the event of demands having to be met which although not unreasonable in the country in which they originate, would place this country's products in an impossible position to meet world competition . . ."

Montreal Chambre de Commerce

Settlement of labor disputes by (a) compulsory conciliation, and (b) compulsory arbitration, with penalties to assure that the findings of the arbitration board are carried out, is recommended by the Montreal Chambre de Commerce and the Federation of the Chamber of Commerce of Quebec, in a brief presented to the National War Labor Board.

Any group or body wishing to act as a union (and to be party to a collective agreement) would be forced to have a legal existence under the plan advanced. This, the brief states, would allow the arbitration board to impose penalties on unions themselves or on their leaders in the event of their not accepting the findings of the board.

Collective bargaining is favored and it is stated that wherever possible, a collective agreement should be signed between the management and the workers. Workers would be allowed to join the union of their choice but it is recommended that the closed shop be suspended for the duration in Canada.

To facilitate the handling of the labor situation, the Montreal Chambre de Commerce brief suggests consolidation and codification of all regulations concerning labor and strikes and outlining clearly the government's policy in dealing with labor. The brief states that the government should protect the country against inflation and the Chambre declares itself against wage increases without previous consultation with the "competent authorities."

Montreal Board of Trade

Permanent Boards of Conciliation, whose findings would be binding on both employer and employee, are proposed in the brief of the Montreal Board of Trade presented to the National War Labor Board. In suggesting the Conciliation Board's findings be compulsory, the Board of Trade advises granting a seven-day right of appeal to a "higher authority with powers of enforcement."

The Board of Trade brief declares that a change in existing legislation will be necessary to implement ideas contained in the brief and to ensure penalties for violation are adequate to restrain prospective offenders.

Changes suggested are seen as requiring enactment of a new labor code. This, the Board of Trade thinks, should be made law under the War Measures Act with provincial agreement, rather than delaying long enough to pass a special act. Anticipation of a permanent peacetime labor code is suggested.

Where a demand is voiced for a labor agreement, the Montreal Board of Trade advises that an organization representing labor should be forced to produce evidence for a government representative that it possesses backing of 51% of men affected to establish its right as a bargaining agency. If the government representative is satisfied the organization possesses a majority, he may order a secret vote to determine the bargaining agency.

Determination of the bargaining agency should be followed by negotiations for an agreement, it is declared. Any agreement completed, it is stated, should have clauses covering the following: no agreement for longer than a year; grievance procedure; machinery for settlement of disputes before resorting to any external agency for settlement.

It is thought that the Industrial Disputes Investigation Act should be amended to make unnecessary the taking of a strike vote to secure a Board of Conciliation, but that the principle of requiring a government-supervised vote on "Are you in favor of a strike?" before any strike is declared illegal, should be retained.

Inter. Mine, Mill & Smelter Workers

Devoting most of its brief to an attack on company unions and charges that the United Copper Nickel Workers organization of Sudbury was such an organization, the International Union of Mine, Mill and Smelters Workers, Local 598, Sudbury, also gave general endorsation to proposals of the Canadian Congress of Labor and Trades and Labor Congress of Canada on questions of regional labor boards and conciliation and arbitration boards.

A new national labor policy was advocated by Local 598 to assure the following:

1. Guarantees of the right of collective bargaining for unions of the workers' choice.
2. That it be made an offence for an employer to directly or indirectly sponsor any organization for negotiating a collective bargaining agreement or for carrying on functions of a labor union.
3. Provision of democratic procedure for determining workers choice of bargaining agency (secret ballot where necessary.)
4. That it be an offence to refuse to employ or discriminate against any worker engaged in union activities.
5. That a minimum national wage of 55 cents an hour be made the basis for a floor wage.
6. Adequate machinery be set up to arbitrate any dispute arising out of terms of a collective agreement.

The Smelters Workers' union proposes that the National War Labor Board be made the National War Labor Relations Board of the Department of Labor. Formation of labor-management production committees in all plants is also advocated.

Central Ontario Industrial Relations Institute

Described as "a new organization of employers" for promoting "harmonious relationships between employers and employees" was collective bargaining, the Central Ontario Industrial Relations Institute offered these suggestions in its brief:

Because of the existence of the Ontario Collective Bargaining Act, it is no longer necessary to resort to the Industrial Disputes Investigation Act or other Dominion authority with respect to industrial disputes in Ontario occurring before consummation of a collective bargaining agreement.

There is no necessity for amending existing legislation, but the administrative practices of the Dominion authorities should be changed so their activities will not extend to Ontario about any matter capable of being dealt with by that province's Collective Bargaining Act.

It should be the function of the Dominion Government, it is suggested, to curb activities of those who cause strikes and lockouts for selfish reasons.

Because some labor leaders have expressed the view that wage control is not necessary and that it is possible for government to prevent a rise in the cost of living index without exercising control over wages, it would be well for the NWLB to deal with the question and report as to the need for such control.

Because some of the representatives of organized labor acting on war labor boards are opposed to the government wage control policy, proper administration of the policy cannot be expected. Therefore, no person should be permitted to act as a member of a war labor board unless he is willing to endorse and support the principles of the wage policy as set out in the orders-in-council.

Regarding the question of bringing about more uniformity in the cost of living bonus, it is felt that applications for permission to increase the bonus, as well as applications for permission to increase the basic wage rate, should be dealt with on individual merits.

S. G. Blaylock

Belief in collective bargaining but not the type which would allow a union representing 51% of men employed to become the sole bargaining agency was voiced by S. G. Blaylock, president of Consolidated Mining & Smelting Co., in testimony before the National War Labor Board.

In Mr. Blaylock's opinion, the only successful collective bargaining system calls for complete representation of the workmen in a plant or in a particular industry. Allow one union representing 51% or more of the men to be the sole bargaining agent and you get the same thing as a Dominion Government without an opposition, it was held.

Mr. Blaylock pointed to the Consolidated Smelters system of Workmen's Co-operative Committees with approximately one representative per 100 men as one which has resulted in a long period of harmonious employer-employee relations and substantial improvements in the position of labor. An advantage claimed for the Smelter's system is that management and men are brought close together while the more remote control bargaining agencies tend to put them farther apart.

Pointing out that Consolidated Smelters inaugurated profit-sharing bonuses 27 years ago, Mr. Blaylock stated: "I am convinced that some equitable profit-sharing scheme is one of the best solutions to our problem but it calls for a drastic change in employer-employee relationship as generally in force today." Profit-sharing and efficiency bonuses were seen as things which could work hand in hand to provide the workman with a personal interest in the success of his company.

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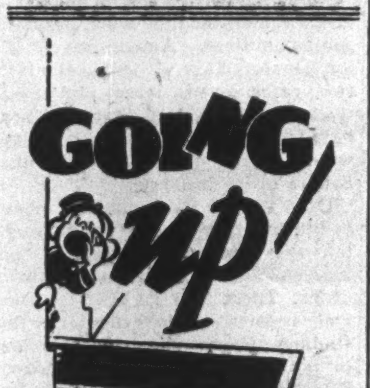

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THE WANTS OF MAN

A Message to 4 Million Canadians

"MAN wants but little here below," wrote Oliver Goldsmith.

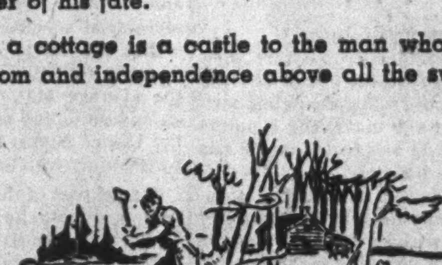
Man's needs, he might have added, are even fewer.

Our pioneers needed no more than a few acres—a roof—a bed—food they shot or trapped or raised for themselves—a shelter for their cattle—a pen for their pigs.

But one deep-felt want meant more to them than all these needs . . . a yearning which drove them out of crowded Europe to our wide, free spaces.

What each of them wanted, more than anything in the world, was to be his own boss . . . to be the master of his fate.

Even a cottage is a castle to the man who values freedom and independence above all the sweets of life.

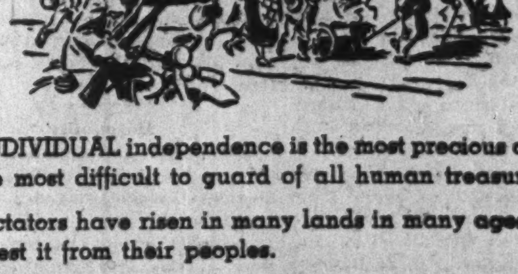


OUR pioneers put up a grim battle for their independence.

Today we are fighting an even grimmer battle to save and hold the freedom they sought.

They had faith in their own energy and enterprise, and with that energy and enterprise they built this nation.

Ours is the task to defend it . . . and not the nation only . . . but the rights of the individual . . . the right to think and act and embark on any proper enterprise a man chooses.



INDIVIDUAL independence is the most precious and the most difficult to guard of all human treasures.

Dictators have risen in many lands in many ages to wrest it from their peoples.

In this late day we are fighting again to restore it to the enslaved peoples of the world.

Here, at home, each man protects his own independence by frugality and thrift.

That is why life insurance has become the business of four million Canadians—a great, voluntary, co-operative business—as close to the pattern of democracy as any business can get.

It grew because people had to have it.

It is being maintained because people rely on it for their individual security and comfort and peace of mind.

J. G. Parker

It is good citizenship to own Life Insurance

This message is sponsored by Life Insurance Companies operating in Canada

Can Maintain Newsprint Production

Return of Power and Elimination of "Staggered Hours" Help Status

By JOHN E. LANGDON

MONTREAL. — Canada's present rate of newsprint production can be maintained until the end of 1943, but only at the cost of eating into inventories. How far the manufacturers should go in this respect is the major problem of the industry, The Financial Post is informed.

This week two important announcements were forthcoming from the Newsprint Administrator.

First the Power Controller, H. J. Symington, announced that power taken away from the pulp and paper industry would be restored on June 1. Manufacturers have been informed that this return of power applies to Quebec mills only.

Second, a notice has gone out from the Newsprint Administrator eliminating the staggering of work hours for the Quebec newsprint mills, a plan which was adopted late last year when it was necessary to divert substantial quantities of electrical energy to the aluminum and other war industries.

Plenty of Power

Estimates place the return of power at around 100,000 h.p.

Nearly a dozen mills are affected by the new order, including the Beaupré mill of Abitibi Power & Paper Co; the Grand'Mere, Shawinigan Falls and Three Rivers mills of Consolidated Paper Corp.; Anglo-Canadian Pulp & Paper Mills' plant at Quebec; the Donnacona mill of Donnacona Paper Co.; the Murray Bay plant of Donohue Bros.; the Three Rivers mill of St. Lawrence Paper Mills and Canadian International Paper Co.'s huge mill at the same point; Price Bros. & Co. and Lake St. John Power & Paper units in the Lake St. John district.

Collectively these mills have an annual rated capacity of 1¼ million tons of newsprint paper.

Better for Operations

Release of mills from the "staggered hours" of operation, which effected a saving of 40,000 h.p., affects primarily those mills in the St. Maurice and Quebec City areas.

Irrespective of how the wood supply goes, it is stated definitely that the amount of newsprint paper available for American and Canadian publishers will not undergo any change as a result of these two orders.

The orders are important from another angle. They permit individual mills to secure greater operating economies and allow greater flexibility in producing paper so as to take care of any surge in demand, such as arises on occasion in connection with the overseas markets.

Paper Supply Limited

The only way in which there could possibly be any increase in the supply of paper during the months ahead is for the industry to reduce the amount of pulp which it has agreed to deliver to the United Kingdom and the United States.

As one authority put it, "There isn't a ghost of a chance of this happening and even though the power and operating restrictions have been lifted, the publishers will have to be content with the present supply of paper."

As far as can be learned the newsprint paper situation is in good shape, at least up to the end of the third quarter. None of those responsible for making plans will venture to hazard a guess as to what will happen beyond that time.

The Canadian mills have agreed to deliver 210,000 tons monthly to the United States and there is no prospect of any increase in tonnage for that market.

Paper Savings Small

Seemingly some American publishers have been hoping for a "break" in supply in that consumption of paper in the States for the first four months of this year was only 5% under that for the like period of the 1941 base year. A saving of 10c had been hoped for. The fact that the publishers did not reach this objective resulted in a sharp drawdown from their reserve stocks.

The situation has reached a point where W. G. Chandler and H. M. Bitner, of the War Production Board Printing and Publishing Division, have warned the American publishers to "play the game" and cut their rate of consumption to the desired level.

May Ration U.S. Newsprint

Mr. Chandler's statement was quite pointed. It is believed here that his warning was more than merely another "directive." It presaged rationing of newsprint in the U.S. if the publishers could not effect the desired saving by voluntary methods.

Canadian mills are concerned only indirectly in this matter. They anticipate that they can live up to their promise of delivering an average 210,000 tons a month to the American market this year.

Depends on Wood

There is no guarantee they will be able to do so. Everything depends upon the wood supply. More wood was available this spring than had been foreseen toward the end of last year. This was the principal reason for the action of the WPB in deferring another cut in consumption at the end of the first quarter this year.

While the wood inventory is reasonably satisfactory just now, the maintenance of operations in the closing months of 1943 depends largely upon the cut this summer.

Every effort is being made by the industry to get more men into the woods. At the same time considerable attention is being paid to increasing the output of the individual worker.

By the end of August it is believed that the newsprint administration will be in a posiiton to judge fairly closely as to how long the mills can continue the present scale of operations.

If the wood supply comes along better than it has of late, than there is reason for believing that the present scale of production can be maintained for the full year. That is the best that can be expected. There is no prospect whatever of an increase in production, no matter how the wood supply situation shapes up.

Truman Committee

We Could Use it in Canada

Senate Committee Proves Its Worth as Constructive Critic

For two years now, Washington has had a permanent watchdog on the war effort, the Truman Committee of ten Senators. Some of the committee's many important achievements are told in the accompanying article. Chief significance for Canadians is the fact that we have no similar organization to carry on a continuous and impartial investigation of the many problems of our own war effort.

Special Correspondence

WASHINGTON — For two years ten Senators here have been conducting a continuing investigation of the tremendous United States war effort that has won them international recognition. They are the Truman Committee whose reports on governmental expenditure, the production record and war operations have been unmatched by similar parliamentary bodies either in Britain or in Canada.

This committee has become one of the most constructive critics of government operations in the United States. Here are some of its accomplishments:

- Its criticism of the overlapping and dissension in administrative circles was a potent factor in President Roosevelt's appointment last week of a new office of war mobilization under his "assistant president James F. Byrnes. Hearings before the Truman Committee exposed the lack of co-ordination between the so-called "conflicting" programs of synthetic rubber, high octane gasoline and escort ships;
- It exploded the "hush-hush" policy on shipping losses and exposed the error of the U. S. Navy in being slow to recognize the newer and improved methods of combating submarines. The committee offered constructive suggestions both for handling wartime freight and for moving faster against the U-boat menace;
- In May, 1942, the committee submitted a report revealing the full extent of the rubber shortage. All but one of the committee's findings were later adopted by the Baruch commission appointed by President Roosevelt to deal with the contentious rubber program;
- A year before the United States entered the war the committee had pointed up the raw materials shortages when the United States lacked an organization to control their use. In its first report, the committee criticized the old Office of Production Management and later the President did reorganize this body replacing it with the War Production Board.

These are only some of the committee's major victories. They have achieved much in a less spectacular way.

No Canadian Parallel

Canada has never had a parliamentary body that operated quite the same as the Truman Committee. Nearest parallel in Canadian experience would be found if Mr. King were to appoint a permanent Royal Commission surveying all phases of the war effort and making a series of interim reports. The Truman Committee is not limited to war expenditures alone. Its original commission from The Senate was that it was to be "A Special Committee Investigating the National Defense Effort."

Although the committee has usually been in the right, there have been times when it has made mistakes. Canadian officials in Washington felt that the committee "jumped the gun" in criticizing the log embargo from British Columbia. But on the other hand its criticism on that occasion exposed an important failure in our information policies down here. It demonstrated while there exists complete confidence between M. & S. and the War Production Board, too little attention was being devoted to making the inside facts on our agreements known to influential congressional circles.

Senatorial Privileges

An important factor in the independence of judgment exercised by the Truman Committee members is the complete freedom of action enjoyed by most Senators. Elected for six years with a $10,000 stipend, and another $5,000 for adequate secretarial services, a U. S. Senator is not subject to ordinary political discipline or the party whips as is the average M.P. He is essentially an individualist, and the history of the United States has been changed by Senators who bolted their parties.

A good part of the committee's success is due to its chairman, Harry Truman comes from Missouri—in a literal and certainly in a figurative sense. He has now served seven years in the upper house. He is unpretentious, quiet, democratic and above all self-effacing. His biography in the Congressional Record, which all Senators insert in their their own hand, occupies four lines. His colleagues' sometimes run a full page. He has tried to steer a middle course. He didn't assume all businessmen were "crooks" and he didn't on the other hand "bait labor" or start a "witch hunt" for Reds. He enjoys the confidence of the Senate, the respect of the White House and the full support of his home state. A man with that background doesn't need to be spectacular.

Shoestring Start

The Senate gave him only $15,000 to start with—a small appropriation in this city where billions are passed in the wink of an eye. Since then it has been expanded to $200,000, a sum soon to be exhausted but which will certainly be replenished at the proper time.

Strength or weakness of Congressional committees are their counsel. Usually chairmen have that patronage and more often than not mediocre, headline-seeking men get the call. Truman asked Supreme Court Justice Robert Jackson, who was then Attorney-General, to nominate his counsel. The latter picked Hugh A. Fulton, young up-and-comer from the U. S. District Attorney's office in New York City. Fulton, before he entered the U. S. service, had been a corporation lawyer. He knew both sides. He asked and got a free hand in picking his staff.

By usual congressional standards —or say compared with the Dies Committee effort that has been running for years—the Truman Committee is a small one considering the amount of work handled. Besides Fulton there is an executive assistant, and an assistant counsel plus fifteen investigators and secretarial help.

How it Works

The staff does the ground work, sifts the evidence, the committee itself passes the final judgment. A typical case was the exposure that steel tests had been falsified in the Carnegie-Illinois plants. A letter from a worker there had been received and had been filed for future reference. Henry Kaiser, the miracle-working shipbuilding was testifying on the breakup of his first mass-produced tanker. A contributing cause, he thought, was a faulty plate. A member of the committee recalled the letter, the work sheets of the steel plant were called for and the fact that tests were being falsified was revealed.

Later the steel companies protested that Navy rules were too stringent and were delaying production. There is still an element of controversy but it cannot be denied that the Truman Committee had exposed an undesirable practice. That was only a minor case.

The now-famous report on shipping took months of work, and exploded like a bombshell in Washington. Secretary of the Navy Knox first denied that the shipping losses had been a million tons a month, but later acknowledged the net losses for '42 had been a million tons. Those outside naval circles felt that the Truman Committee which had said 12,000,000 tons were lost as compared with 11,000,000 tons built by U. S., Britain and Canada had at least "smoked out" an important fact on a critical subject.

Group System

Although there are ten members in the committee they work in small sub-committees. Among them, all ten Senators have visited, in the last two years, every large armament works in the United States. They have to sift 200 complaints a day which pour into their offices at the Senate office building.

Once a week the committee meets in full in a room known to Washington as "Truman's doghouse," an ante-chamber to the Senator's main office. There they go over the special reports of investigators, the findings of counsel to decide whether or not open hearings are required.

In preparing the 28 reports so far published the committee has taken more than four million words of evidence. Wherever possible the hearings are public. There are no star chamber proceedings. The reports are usually submitted to the various departments concerned before publication. In the case of the shipping report which later created controversy in Naval circles, the Navy had seen the manuscript and offered no objection to the findings even though they were severely critical of the Naval High Command.

The War Production Board, the Army, the Navy all now maintain special liaison men to work with the Truman Committee, which is in itself a recognition of its work.

Congress is filled with committees investigating everything in Washington. But the Truman Committee because of the merit of its work, its attention to detail, its sincerity of purpose, has become an almost indispensable adjunct to a successful war program—a constructive critic.

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—By the time these notes appear you may have had the full list of the British M.P.'s who are about to invade Canada. At the moment I have only heard four names but they are a good selection.

Mrs. Mavis Tate has some pretensions to beauty, her features being good and her hair of an attractive copper color. In spite of these political drawbacks she is a fearless champion of lost causes and becomes so angry with Ministers that her scorn would burn them up if they were not armored in asbestos. It was she who fought so long and gallantly for the simple measure of justice that women injured in air raids should receive the same compensation as men.

Only recently she succeeded in getting this through Parliament and was rightly acclaimed for it.

Lord Marchwood is a jovial charmer. There is no use trying to withstand that charm. It is warm, real and all-embracing. He is the only peer I know who holds a master mariner's certificate, having sailed before the mast or just behind it.

His name was then George Penny and as such he entered Parliament. Eventually he became a whip, a knight, treasurer to the King's Household, then a peer and finally treasurer of the Tory party.

He has great gusto and will quite genuinely like you all. Therefore you will end up by liking him.

Viscount Stansgate is really our old friend "Wedgwood Benn' from the House of Commons. For a long time he was a Liberal M.P., and then became a Socialist. In Ramsay MacDonald's labor government he was Undersecretary for India but refused to follow Ramsay across the Great Divide when he formed a national government. "Wedgey" was a brave airman in the last war and is a moving and eloquent speaker. He will earn his food at any Canadian luncheon club lucky enough to secure him.

Sir Percy Harris is the acting Liberal leader while Sir Archibald Sinclair holds forth at the Air Ministry. He sits for the salubrious East End constituency of Bethnal Green which took more than its share of the bombing of London. He is a man of substance and good judgment but is not a Danton or even a Disraeli on the platform.

A good bag on the whole and a likeable, as well as a knowledgable parliamentary quartette.

• • •

Gunnery Officer

Colonel Harold Hemming dropped in recently to say good-by. He was waiting for a 'plane to take him to Tunisia.

Hemming was born in Toronto, 50 years ago, was educated at McGill and won the M.C. with the Canadian artillery in the last war. He was full of theory and is the author of one of the gunnery textbooks used by the British Army.

After the last war he joined a financial house in London and specialized in Canadian securities. When war came again he abandoned the City and, with the rank of Major, was put in charge of an important "hush hush" Artillery School. He has been telling me that British gunnery now has no rival anywhere. In Tunisia it apparently made the German technique look like something from the Boer war.

• • •

Hospitality

Sir Jocelyn Lucas, M.P., as head of the hospitality section of the Overseas League, staged a pleasant reception this week for High Commissioner Vincent Massey and his wife. Lucas is a great character. Good looking, and nicely vague about everything, he gets things accomplished with a relentlessness worthy of a Prussian. Every fortnight or so he persuades some individual or firm to put up anonymously the cost of drinks and refreshments for one of these receptions.

He has given them for the King of Norway, for the King of Greece, for General Sikorski and the Poles, for Ambassador Biddle and the Americans, for Dr. Benes, and the Czechs, for King Peter and the Yugo-Slavs, right up and down the line. The one for the Masseys was a real success.

• • •

Coward in Suburbia

It is said that good criticisms cannot make a play or bad ones kill it. Be that as it may, when the London newspapers finished raving about Noel Coward's two new plays last week the theatre was sold out for six months ahead. By the way I promised to let you know about his second play "This Happy Breed."

It was startlingly different from his comedy of the night before. The theme is simply the life of an ex-service man, of the last war, and his family, living on the edge of Clapham Common. The sincerity and humor of it were quite Dickensian. Coward played the part of a decent suburbanite in a readymade suit who kept on believing in England no matter what the politicians did to her.

It is not a great play and it has a banal ending where Coward makes a speech to a baby in a pram as if it were a public meeting. But he made us laugh and he made us weep. Having in his previous comedy argued that love was nothing but good fun, he draws in the other play, a picture of married loyalty in suburbia that was not only convincing but uplifting.

• • •

Journalist Judge

Lord Chief Justice Hewart died a few days ago at the age of 73. It is an indication of the changing attitude toward age that when a public man dies at 73 one feels that he has gone before his time.

Gordon Hewart was not a great judge. He had been in the House of Commons too long for that, and he never lost his yearning for the smoke and battle of debate. He started his career as a journalist on the Manchester Guardian and in later years, whenever a newspaper found itself in the courts, he used to delight in explaining to the jury how and why newspapers were produced.

He hated bureaucracy. That is where we shall miss him most, for the war against bureaucrats after we have finished with Hitler is going to be a long and sanguinary struggle.

• • •

The expected criticism of Eden over the Polish business did not materialize. He made a statement to the House but at the first question he suggested that this was a moment where Parliament could best serve the interests of concord by not raising awkward matters.

With a murmur of approval the House subsided and no Cromwell rose to protest.

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SUPERINTENDENT

C. R. Dey has been appointed superintendent of Quebec branches of the Canadian Bank of Commerce, succeeds G. Gordon Laird, who is retiring. Mr. Dey, who will be stationed at Montreal, was born in Aberdeen, Scotland, joined the bank in 1907.

U. S. Wood Pulp Stocks Show Further Decline

Stocks of purchased wood pulp as reported to the American Paper and Pulp Association as of May 1 showed a continuation of the decline which has been evident since the first of the year, but at a less rapid rate than March and April.

Total stocks reported on May 1 amounted to 176,532 tons, a decrease of 12,292 tons from the April 1 figure of 188,824 tons, and a total decrease since January 1 of 55,227 tons.

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Paramount Pictures is redeeming $3 millions of its 4% debentures on June 23, 1943. Redemption price is 103 plus accrued interest to redemption date. This redemption is being made through operation of the sinking fund.

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Life Insurance Essential Morale Service

Social Insurance Found in Harmony With Company Objectives

Wartime insurance problems and economic trends were the main topics of discussion at the 50th annual meeting of the Canadian Life Insurance Officers Association held in Toronto last week. The meeting was of a strictly business nature, the social functions common in normal years being eliminated.

Stating that life insurance is the only industry equipped to encourage people to save and that life insurance service is essential to maintain military and civilian morale, John G. Parker, president, urged that the essential character of life insurance be recognized.

The wartime burden of the life insurance organization, he stated, was particularly heavy, extra service to policyholders and beneficiaries being required because of the effect of war on policy conditions and the payment of claims. Members of the armed forces and their dependents find it necessary to seek the advice of the companies and their representatives even more in wartime than in peacetime. The work the companies do in the ordinary course of their business in cutting down the spending of Canadians on consumer goods, he added, was an important factor in the Government's fight against inflation and thus an additional feature to be considered in regard to the essential nature of life insurance.

Social Insurance

The life companies, he indicated, far from being opposed to social insurance measures, regard them as in complete harmony with the objectives the companies have long been urging. These measures he described as serving to provide a minimum of protection for the population which can be supplemented by the individual in accordance with his personal needs and means. He added:

"We have no fear that a sound scheme would interfere with the activities of the companies under any system of individual initiative and free enterprise, so long as it is properly balanced in relation to the whole national economy.

"However, this must not be taken to mean the life insurance companies are disinterested in such developments. In common with all other sections of the community they have an interest in seeing that any plans which are inaugurated can be operated efficiently and economically, will not encourage paternalism or malingering, will be administered soundly and will not involve a cost exceeding that which the economy is able to bear. The importance of making a careful and searching examination of such proposals cannot be overemphasized and it is the duty of every Canadian citizen to study them critically, not with the thought of condemning such social advances but with the intention of seeing that they can and will accomplish the objectives for which they are designed."

Health Insurance

As evidence of their interest in health insurance, Mr. Parker stated the companies within the last 20 years have jointly contributed well over $500,000 to various public health projects.

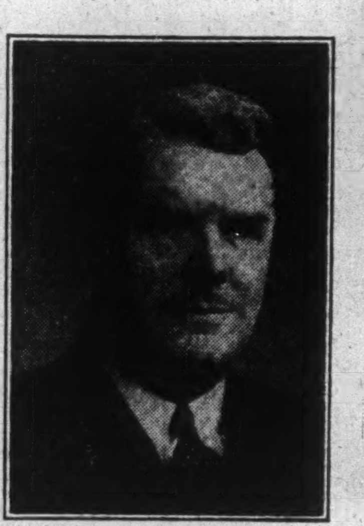
Because life insurance has been developed under a system of free enterprise and could not have grown up any other way, the life insurance community which believes in private enterprise should be taking a more active interest in public affairs. Said Mr. Parker:

"We have been too prone to stand aloof. We should become much more active in all matters pertaining to the government of our country. It is difficult to expect our elected representatives to reflect our view in the councils of the nation unless we actively show our concern that the country be properly governed."

Changes in 50 Years

Changes in the life insurance business during the 50 years the association had been functioning are stated by Mr. Parker as follows:

	Now	50 yrs. ago
	$	$
Ins. in force	7,800,000,000	300,000,000
Per capita insur.	680	61
Policy payments .	152,000,000	5,000,000
Invest. in Canada	2,300,000,000	80,000,000
	%	%
Lapse & surr. rate	3	7.7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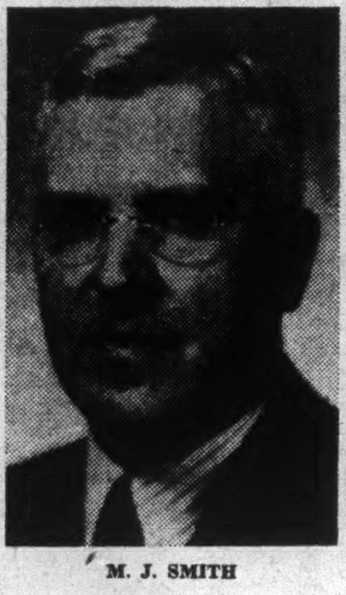
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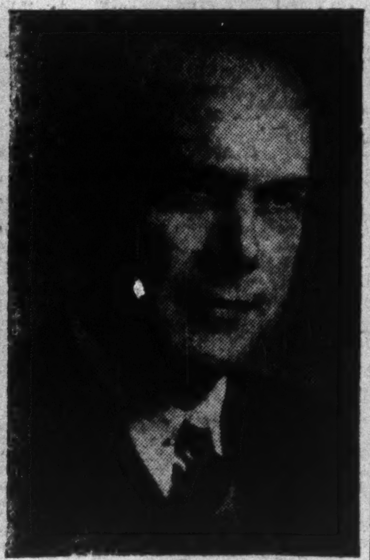
E. C. M CDONALD

INSURANCE MEN ELECT OFFICERS —

At the 50th annual meeting of the Canadian Life Insurance Officers Association in Toronto last week, H. W. Manning was elected president, M. J. Smith, first vice-president, J. D. Buchanan, second vice-president, and E. C. McDonald, honorary treasurer. Mr. Manning is vice-president and managing director of the Great-West Life Assurance Co., Mr. Smith, president and general manager of the Equitable Life Insurance Co. of Canada, Mr. Buchanan assistant general manager and chief actuary, London Life Insurance Co., and Mr. McDonald, vice-president in charge of the Canadian operations of the Metropolitan Life Insurance Co.

3 Life Insurance Battalions

Leighton Foster Tells War Role of Life Companies

Between Sept. 1, 1939, and Sept. 1, 1942, 2,601 men or approximately 20% of the pre-war male staff left the life insurance companies to join the armed forces or engage in other whole time national service R. Leighton Foster, K.C., general counsel of the Canadian Life Insurance Officers' Association stated in his report at the annual meeting. Between Sept. 1 and Dec. 1, 1942, another 230 men left to join the armed forces, making 2,831 in all.

Survey Made

A survey made by the association, Mr. Foster stated, showed that as at Sept. 1, 1942, there were 10,770 men and 7,661 women with the companies on a full time basis.

There were 51% fewer single men and 10% fewer married men than on Sept. 1, 1939. But while there were 20% more women the number between the ages of 26 and 30, trained staff, had declined 37%, the number under age 20, untrained staff, was 268% more than at the outbreak of war.

Thus the proportion of trained staff has decreased substantially. During the same period he said the volume of life insurance in force increased 10% with the volume of life insurance purchased increasing and policyholders, because of the war, requiring much more service from companies and agents than in normal times.

Income Tax

Mr. Foster, reviewing the provisions of the Income War Tax Act recognizing life insurance premiums as a type of savings which might be offset against the refundable portion of the income tax, stated that while sales in the first seven months of 1942 were 23% above those of the previous year, sales of new ordinary insurance "in the last five months after the new law came into effect raised this figure only to 25% for the whole of 1942 as compared with 1941. These figures show that the limited recognition afforded premiums on new policies has not had any substantial influence on the volume of life insurance sales."

"A study of the experience of a representative group of companies shows that the change in the law has not caused any substantial change in the plans of insurance on which new insurance is being written. There has been no marked trend toward the issue of new insurance on the so-called protective plans which qualify for the offset as contrasted with the savings types of contract which do not qualify."

Increase of 9% In Bank Debits

Gains Shown in Four of Five Economic Areas During Month

Cheques cashed in the 33 clearing house centres of Canada in April totalled $4,071 millions or 9% more than in the same month last year. The increase was attributed to heavier cheque payments for the purchase of Victory bonds, more active business, and slightly higher commodity prices.

Increases were shown in all economic areas except Ontario. The increases were: Maritimes 7%; Quebec 15.4%; Prairies 39%, and British Columbia, 10.7%. Ontario debits were down 2.9%.

Bank debits for the first four months of 1943 at $15.7 billions were up $1.6 billions or 11.8% over the same period of 1942. Gains for the four months were shown in all five economic areas.

Debits to Individual Accounts
(Millions of $)

	—1943— Apr.	Mar.	1942 Apr.
Maritimes:			
Halifax	43.3	61.8	47.5
Moncton	15.5	15.4	14.1
Saint John	32.9	24.8	24.0
Total	91.7	102.0	85.6
Quebec:			
Montreal	1,055.1	1,008.9	907.5
Quebec	91.0	95.0	83.7
Sherbrooke	9.9	10.0	10.4
Total	1,156.0	1,113.9	1,001.6
Ontario:			
Brantford	18.7	18.1	17.1
Chatham	9.9	11.2	8.6
Fort William ...	9.4	9.1	8.5
Hamilton	105.8	92.3	110.3
Kingston	10.9	11.4	10.2
Kitchener	20.1	19.4	21.7
London	42.9	44.2	44.1
Ottawa	583.2	629.4	500.6
Peterborough ..	12.2	11.4	11.5
St. Catharines ..	21.2	20.1	19.3
Sarnia	13.1	12.0	10.7
Sudbury	8.3	7.6	8.3
Toronto	901.3	995.0	1,052.8
Windsor	82.9	77.8	71.1
Total	1,839.9	1,959.0	1,894.48
Prairies:			
Brandon	6.4	5.5	4.8
Calgary	81.0	75.4	74.8
Edmonton	78.6	77.5	60.1
Lethbridge	7.4	7.0	7.0
Medicine Hat ..	5.2	3.8	3.5
Moose Jaw	10.7	11.1	8.9
Prince Albert .	4.7	4.5	3.9
Regina	51.5	40.7	36.8
Saskatoon	15.4	14.3	13.4
Winnipeg	485.0	348.8	323.9
Total	745.9	588.6	537.1
British Columbia:			
New W'minster.	11.9	12.5	10.9
Vancouver	187.2	198.5	172.4
Victoria	38.2	37.3	30.9
Total	237.3	248.3	214.2
Total, Canada	4,070.8	4,011.8	3,733.2

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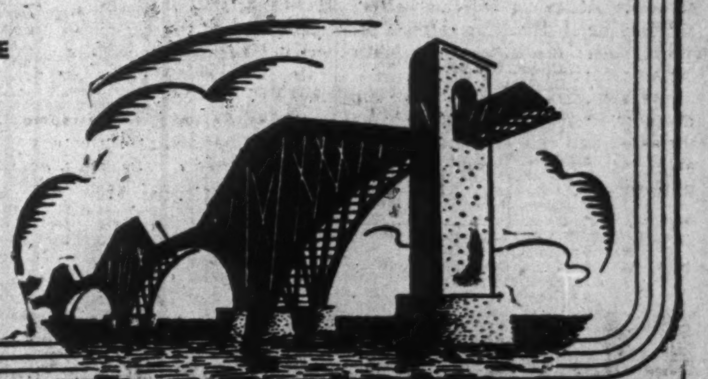
Branch Offices are maintained in the following cities:— TORONTO, LONDON, OTTAWA, and HAMILTON, ONT.; MONTREAL, P.Q.; FREDERICTON and SAINT JOHN, N.B.; HALIFAX, N.S.; and VANCOUVER, B.C.
UNSHAKEN BY THE WAR
THE FORTH BRIDGE EDINBURGH
A bridge noted throughout the world for the outstanding strength of its construction.
The scene of the first bombing raid in Britain —it stands proud and unscarred.



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Canadian Pacific Express TRAVELLERS CHEQUES

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Lumbermens MUTUAL
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Agency Inquiries Invited
"THE SAFETY-MINDED COMPANY"

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MEN of affairs naturally stop at The Windsor because of its convenient location and its well-established reputation for courtesy, comfort and service.
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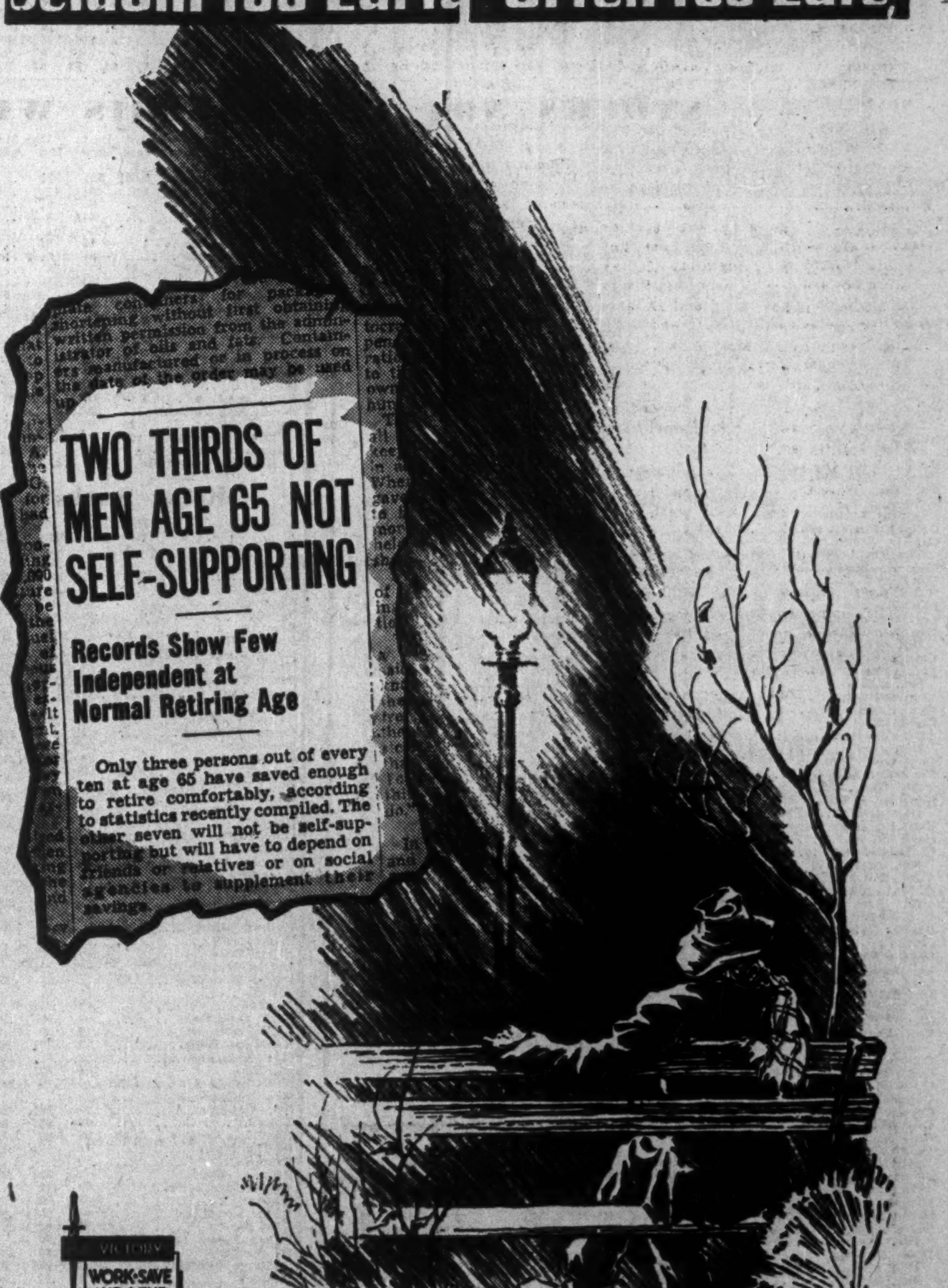

SUN LIFE OF CANADA
Save wisely Today - for Tomorrow

THE WEEK'S QUOTATIONS

Montreal and Toronto — Week ending Monday close

Winnipeg and Vancouver — Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Listed Stocks — Week Ending May 31

[illegible]

Mining Stocks

[illegible]

Range 1943 High	Low	Div. Rate	Yield %	Company	Sales	Last May 24	High	Low	Close
.04	.03	....	....	God's Lake	13,016	.21½	[illegible]	[illegible]	[illegible]
.29½	.12½	....	....	Goldale	1,700	.12	.11	[illegible]	[illegible]
.13½	.10	....	....	Gold Belt	1,100	.15	.15	[illegible]	[illegible]
.20	.12	.04	....	Gold Eagle	3,000	.02	.02½	[illegible]	[illegible]
.03½	.02	*.09	....	Golden Gate	6,000	.04½	.04½	[illegible]	[illegible]
.06½	.03	....	....	Gunnar G.	960	.14	.14	[illegible]	[illegible]
.17	.11½	....	....	Halcrow	800	.08½	.08½	[illegible]	[illegible]
.03½	.01	....	....	Halliwell G.	34,000	.04½	.04½	[illegible]	[illegible]
.07	.04	....	....	Hard Rock	5,660	.45	.47	[illegible]	[illegible]
.58	.40	†.06	....	Harker	1,500	.08	.08	[illegible]	[illegible]
.03½	.02	....	....	Hedley Mascot	500	.45	.45	[illegible]	[illegible]
.48	.37	.08	....	Hollinger	3,083	9.50	9.50	9. [illegible]	[illegible]
11.12	8.50	.65	6.9	Howey Gold	7,500	.19	.20½	[illegible]	[illegible]
.21	.17	....	....	Hudson Bay	1,051	31.12	31.25	30. [illegible]	[illegible]
32.50	26.50	2	....	Inspiration	600	.28	.30	[illegible]	[illegible]
.35	.26	....	....	Jack Waite	200	.07½	.06½	[illegible]	[illegible]
.10	.06	....	....	Jason Mines	650	.18	.19	[illegible]	[illegible]
.21½	.12	....	....	J. M. Cons.	1,500	.01½	.01½	[illegible]	[illegible]
.02½	.00½	....	....	Joliet Que.	600	.02½	.02½	[illegible]	[illegible]
.02½	.01½	....	....	K. Addison	18,590	6.15	6.25	[illegible]	[illegible]
6.50	4.75	†.17	....	Kerr Lake	100	.10	.10	[illegible]	[illegible]
.17	.10	....	....	Kirk. H. Bay	1,000	.29	.30	[illegible]	[illegible]
.40	.19	....	....	Kirkland L.	9,905	.61	.63	[illegible]	[illegible]
.70	.55	†.02	....						

Oil Stocks

Range 1943 High	Low	Div. Rate	Yield %	Company	Sales	Last May 24	High	Low	Close
.27	.20	....	....	Dalhousie	1,950	.34	.35	.34	[illegible]
.43	.29	....	....	Davies Pete	14,078	.20	.20	.18½	.20
.23	.10	....	....	East Crest	45,489	.12½	.13½	.12½	.13½
.18	.04	....	....	Foothills	300	1.21	1.25	1.21	1.24
1.35	.78	....	....	High Sarcee	100	.15	.15	.15	.15
.17	.10	....	....	Home	8,165	3.25	3.30	3.15	3.25
3.60	2.65	†.15	....	Homestead	8,500	.04	.04½	.04	.04½
.05½	.03	....	....	McD. Segur	500	.08½	.08½	.08½	.08½
.12	.05	....	....	Mercury	2,000	.06½	.06½	.06½	.06½
.08½	.05	....	....	Model	50	.22	.25	.25	.25
.27	.21	.02	....	Nordon	1,100	.04	.06	.04	.04
.08½	.03½	....	....	Oil Select	2,500	.04	.07	.04½	.04½
.07	.02½	....	....	Okalta	8,600	.70	.73	.68	.70
.73	.38	....	....	Pacalta	16,500	.06	.06	.05½	.05½
.09	.04½	....	....	Pac. Pete.	5,200	.39	.40	.38	.40
.41	.20	....	....	Royalite	569	22.00	23.15	23.00	23.50
26.00	21.00	1	4.2	South End	20,000	.05½	.06	.05½	.05½
.07	.03½	....	....	Vanalta	1,500	.07½	.07½	.07½	.07½
.09½	.06	....	....	Vermilata	76,300	.19	.23	.19	.23
.23	.09½	....	....	Vulcan	500	.25	.23	.23	.23
.26	.18	....	....						

* Yield including bonus. ▾ Paid in 1942. † Interim paid in 1943.

Winnipeg and Vancouver

[illegible]

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
June 1	49,300	6,000	490,000	......
May 31	32,500	7,100	364,000	8,430
May 29	27,700	18,500	201,000	8,900
May 28	35,500	2,900	324,000	8,060
May 27	31,300	18,200	262,000	13,274
May 26	21,100	16,100	230,000	8,225

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

June 1, 1943

%	Due	Bid	Ask
5	Oct. 1943	101	102
2	June 1944	100½	101½
1½	Sept. 1944	99½	100½
a2½	Jan. 1944	99½	100½
4½	Oct. 1944	104	105
2½	Nov. 1944	101½	102½
a2½	Aug. 1945	100½	101½
4	Oct. 1945	100½	101½
2	Mar. 1945	100½	101½
2	Dec. 1946	99½	100½
4½	Feb. 1946	106½	107½
2½	Mar. 1948	99½	100½
1½	May 1946	99½	100½
a2½	Jan. 1948	101½	102½
3½	June 1949	102½	103½
3½	Oct. 1949	102½	103½
a3	June 1951	102	103
3½	Nov. 1951	102½	103½
3½	Feb. 1952	103½	104½
4	Oct. 1952	106½	107½
3	Oct. 1952	100½	101½
a3	Jan. 1953	103½	104½
3	June 1955	99½	100½
a3	Nov. 1956	99½	100½
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107½	108½
a3	Mar. 1954	100½	101½
a3	Jan. 1958	102½	103½
3	June 1958	99½	100½
4½	Nov. 1958	108½	109½
4½	Nov. 1959	109½	110½
a4	Oct. 1960	109½	110½
a3½	Jan. 1961	103½	104½
3½	June 1966	102	103
a3e	Jan. 1967	101	102
a3e	Nov. 1968	101	102
†3	Perpetual	94	95

Dominion Guarant'd Bonds

%	Due	Bid	Ask
Can. Nat'l Railways:			
2½	Jan. 1946	100½	101½
3	May 1944	101½	102½
3	Dec. 1950	100½	101½
3	Jan. 1959	99	100
*4½	Sept. 1951	121½	123½
*4½	Feb. 1956	125	126½
4½	July 1957	125½	127
3	Feb. 1953	100½	101½
4½	June 1955	126½	128
5	Feb. 1954	117½	118½
*5e	July 1969	118½	119½
*5e	Oct. 1969	126½	127½
*5e	Feb. 1970	126½	127½
Can. Nat. W. Ind. S. S.:			
5	Mar. 1955	127½	129½
Grand Trunk Pacific Rly.:			
3	Jan. 1962	107½	109½

Provincial Gov't Bonds

%	Due	Bid	Ask
New Brunswick:			
3	Oct. 1951	97½	99½
3½	Aug. 1949	97½	99½
3½	June 1956	99½	101½
c4	Nov. 1947	111½	113½
4½	Apr. 1961	114	116
c5	Jan. 1960	118½	120½
Nova Scotia:			
3	Jan. 1952	98½	100½
3½	June 1956	99½	101½
3½	Nov. 1950	101½	103½
c4½	Sept. 1952	115	117
c4½	Nov. 1960	119½	121½
c5	Mar. 1960	123½	125½
Ontario:			
2½	May 1945	100½	102½
3	Apr. 1943	100	102
3	Nov. 1950	100	101½
3½	Nov. 1951	101½	102½
3½	May 1955	101	102½
4	June 1962	118½	120½
4½	June 1950	108½	110½
*4½	Jan. 1962	125	127
5	Oct. 1948	109½	111½
*5	Dec. 1960	129	131½
*5½	July 1946	107½	109
Ont. Hydro Commission:			
3	Aug. 1948	100	102
3½	Feb. 1953	100½	102½
3½	Apr. 1947	102½	104½
Prince Edward Island:			
4	Mar. 1954	101½	103½
Quebec:			
3	Nov. 1947	99½	101½
3½	Mar. 1948	100	102
3½	Mar. 1959	100	102
4	Nov. 1952	103½	105
3½	Feb. 1955	101½	103½
4½	Aug. 1958	107½	108½
4½	Jan. 1963	111½	113½
Alberta:			
4½	Oct. 1956	89½	91½
4	Dec. 1954	79½	82½
*5	Oct. 1959	89½	93½
c5½	Apr. 1952	90½	93½
6	Mar. 1947	84½	87½
British Columbia:			
4	Dec. 1957	114½	116½
*4½	Jan. 1951	116½	118½
c4½	Oct. 1953	116½	118½
c5	Apr. 1954	120½	122½
5½	Feb. 1945	103	105
6	Feb. 1947	108½	110½
Manitoba:			
c4	Dec. 1957	108½	111
c4½	Dec. 1956	113½	116
*5	Dec. 1959	118½	121
5½	Oct. 1955	113	115½
6	Apr. 1947	107	109½
Saskatchewan:			
4	Sept. 1954	90½	93½
4	Nov. 1960	88½	91½
c4½	Oct. 1951	101½	104
c4½	Mar. 1960	98½	101
5	Aug. 1958	97½	100½
5½	Oct. 1952	98½	101½
6	Mar. 1952	100½	103½

*-Payable Can., N.Y., £. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. §-Calculated to 1959 average maturity. a-Callable on or after earliest maturity shown and payable at

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 1, 1943

	Bid	Ask
Industrial:		
Acme Farm., pf.	73	78
Andian National	19	22
Anglo C. Tel., A	8	8½
Atlas Steels, c.	20	..
Do., pref.	105	108
B. C. Pulp, c.	11	13
Do., pfd.	76	82
Barrymore Cl., p.	45	..
B. C. Sugar	73	79
B. C. Tel., p.	112½	..
Brown, com.	2	2½
Do., 6% pfd.	37	..
Burns & Co., A	9	11
Do., B	5½	7½
Canada Tea, p.	28½	..
Can. Indust., A	152	156
Can. Mach., c.	7	9½
Can. Ing. Rand	62½	66
Can. Mot. L.A.B.	8½	..
Cap. W. Cloth	5	..
Do., pref.	17	19
Col. Realty	3½	..
Chase, A. W., p.	16	18½
Colonial Steam.	70	75
Copeland F. un.	15	17
Corr. Box, c.	3½	..
Dover Ind.	7	9
Dunlop T. p. $25	22	25
Fed. Grain	3½	..
Do., pref.	90	..
Galt Brass, c.	10	12
Goderich Elev.	9½	10½
Guard. Realty, p.	17	19
Guelph Carpet, c.	13	16
Gurney Fdy., p.	1½	2½
Hart Battery	5½	..
Hayes Steel, c.	14	16
High. Dairy, pf.	..	45
Inglis, John	6	7½
Ingram & Bell, p.	88	..
Kingst. Ship., c.	12	..
Loblaw Inc., c.	11	12½
Minn. & Ont. p. c.	6½	7
Mt. Royal Htl. c.	2½	4
M'row Screw, p.	100	103½
Do., com.	14	16
Moirs, pfd.	15½	..
Morrison Br. un.	6	8
Neilson, Wm., c.	10	..
Do., p.	101	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	15	17½
Prov. Paper, p.	98	102
River. Silk., B	2½	..
Stand. Fuel, p.	51½	..
Stedman, pf. $50	54½	57½
Sutton Horsley	1	1½
Tor. Carpet, c.	68	..
Do., pref.	67½	..
Un. Steel, A. pf.	23	24½
Viceroy Mfg., c.	12½	..
Do., pref.	21	23
West. Grain un.	30	..
Trust & Loan Stocks:		
British Mtge.	115	126
Brockville Tr.	43	..
Capital Trust	28	..
Comm. Fin., c.	7½	..
Grey B. Tr. $50	44	..
Guaranty Trust	100	103
Guelph & O. $50	46	52½
Indust. Mtge.	..	28
Lambton Loan	34	..
Lond. & W. Trust	34	37½
Midland Loan	14	16
Premier Trust	29	..
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Trusts & Guar.	33	..
Victoria Trust	65	..
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	51	53
Canada Life	325	340
Canadian Fire	73	78½
Confed. 30% pd.	130	140
Continental L.	27	30
Crown Life	250	270
Dominion Fire	134½	138
D. of Can. Gen.	125	..
Dom. Life	175	200
Empire, 25% pd.	6	7½
Excelsior 40% pd.	71½	76
Great-West Life	238	..
Halifax Fire	13	14½
Imperial Life	247½	275
Manufac. Life	220	230
Monarch Life	33½	36½
National Life	8	10
Sov. L. 25% pd.	13½	..
Sun Life	315	340
Tor. General	4½	6
Western Assce.	38	41
Do., pref.	41	44
Western Life	12	14½
Investment Trust Shares:		
Inv. Found. un.	41	..
Sec's. Hold., pf.	17	..
Th. Can. Inv. Th.	1½	..
Theatre Stocks:		
Allen's St. Cath. units	63	..
Do., Kingston	65½	..
Do., Toronto, p.	36½	..
Mansf. Theat., p.	61	..
Para. Kitch., p.	50	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	83	..
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	103	..
Gt. Lakes Pr., p.	102	106
Int. Util. $1.75 p.	16	..
Do., $3.50 p.	40	..
Mtl. Isl. Pwr. p.	44	..

Unlisted Mines

Toronto, June 1, 1943

	Bid	Ask
Algo Cop	.23	.26
Adnaron	.34	.37
Albany Riv (new)	.07	.09
Amal Kirk	.09	.10
Athona	.03	.04
Crowshore	.03½	.06
Arno	.01½	.02½
Calder Bo	.06	.07
Area	.08½	.09½
Bayshore	.24½	.27
Arntfield	.00½	.01½
Bar Lard	.04½	.06
Brengold	..	.01½
Brock	.06	.07
Clift Con	.48	.54
Can Rad	.03½	..
Cen Mani	.02½	.03
Cheminis	.05	.06½
Columbier	.24	.26
Con Chib	.05½	.06½
De Santis (new)	.04	.07
Dona Pat	.01½	.02½
Electra	.10	.12
Eastward	.07	.09
Gunflint	.26	.29
Goodrock	.11	.13
Hayes Cad	.01½	.02½
Harp Mal	.12½	.14
Hoyle new	.10	.12
Hugh P P	.05	.07
Ivan Lard	.18	.22
Laguerre	.09	.10
Lk Geneva	.06	.08
Largold	.25	.28
Moosewoo	.14	.16
Magn Con	.30	.34
Metalore	.25	.28
Mid Iron	.45	.50
Majormic	.52	.56
Mar Bird	.06	.07
Mata Con	.13	.16
Banca	.41	.43
Conti Tin	.18	.21
McMarma	.13	.15
Moffatt H (new)	.03½	.04½
Mosher	.08	.11
McManus	.01	.03
Nat Mala	.20	.22
Naybob	.01½	.02
Nick Off	1.00	1.10
Pacific R	.70	.75
Norbeau	.23	.25
North Tin	.10½	.12
Oklend	.03	.04
O'L Malar	.04½	.05½
Opemiska	.07½	.09
Orpit	.03½	.04½
Pascalis	.21	.23
Pelangio	.09½	.10½
Pontiac R (old)	.08	.12
Pt Coldw	.32	.36
Propriet	5.45	5.60
Presdor	.03	.03½
Que Mani	.23	.25
Rand Mal	.13	.14
Rebair	.42	.47
Ritoria	.02½	.03½
Rhyolite	.03½	.04
S.A.G.A.	.10	.15
Rou D'Or	.10	.12
Sheldon	.12	.14
Springer	.21	.23
Stadacona	.12	..
Tombill	.09	.10
Tom Iron	.46	.68
Thoms L	.10	.12
Un Mining	.06½	.07½
Uchi	.01	.02
Wesley	.02½	.02½
Y Davids	.22	.24
Vic Ore	.31½	.35
Ana'maq'	.12	.14

Significant Investors' Index Numbers

(Base 1935-39=100)

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	78.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
Aprril	100.8	79.6	93.3	67.7	121.1	87.4	128.2	89.5	95.8	80.9	101.4	82.0
1943: Weekly Figures:												
May 6	101.7	89.2	91.5	67.9	119.2	89.8	129.6	91.8	98.3	80.5	105.4	83.9
May 13	101.6	85.9	89.8	66.6	119.6	89.1	125.8	90.0	99.6	80.1	105.1	82.8
May 20	103.2	87.6	90.9	67.7	119.0	88.8	125.8	90.5	100.2	80.5	105.1	83.0
May 27	105.4	87.2	91.3	68.1	119.4	87.9	129.4	91.2	101.4	80.7	106.6	83.9

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
June 1	116.70	82.23	73.02	23.87
May 31	116.18	82.16	73.32	23.83
May 29	116.09	82.40	73.25	23.39
May 28	115.76	81.58	73.20	23.61
May 27	116.04	80.88	73.06	23.68
May 26	115.77	80.94	72.40	23.50
Month ago	111.82	81.61	72.57	22.62
Year ago	83.94	68.50	62.69	16.26
High 1943	116.70	87.04	73.98	23.91
Low 1943	98.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
June 1	60.3	76.9	71.3	101.80	60.86
May 31	60.1	76.7	71.1	100.17	60.69
May 29	59.9	76.6	71.0	98.86	60.61
May 28	59.6	76.5	70.9	96.45	60.35
May 27	59.1	75.8	70.2	96.41	60.18
May 26	57.9	75.2	69.4	96.13	60.05
Month ago	58.1	74.8	69.2	94.04	60.73
Year ago	41.9	56.3	51.5	54.58	43.44
High 1943	60.3	76.9	71.3	101.80	66.68
Low 1943	51.8	63.4	59.5	74.07	49.15

STOCKS NOT TRADED THIS WEEK

[illegible]

Mining Stocks

[illegible]

Oil Stocks

[illegible]

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

June 1, 1943

	Bid	Ask
Miscellaneous Stocks:		
Allens Lond. Thea., pfd.	53½	..
Atlas Steels, 7% 2nd pf.	106	108
Brantford Roofing, c.	2½	..
Can. Co-op. Wool.	9	..
Can. Fairbanks, com.	22	..
*Can. Gen. Rubber, pfd.	..	21½
Can. Paving 1st pfd.	1½	..
Can. West. Lumber c.	.20	.35
Cawthra Apts. pfd.	3.10	4
Claude Neon 7% pfd.	4	..
Commer. Life 10% pd.	6½	..
Copland Brewing	.90	..
Dubuisson Gold	.14½	.17
†Easy Wash. 7% pref.	9½	10½
Fed. Fdries. & Steel c.	.20	.35
†Ft. Wm. Hotel units	..	45½
Franco Oils	.27½	.31
Highland Dairy, c.	1	..
Insce. Exch. Bldg. c.	1½	1½
Medical Arts com.	78	..
Milton Brick, com.	.10	..
Monarch Mtge. units	1	..
Nat. Hosiery com.	1	..
Do., pfd.	1	..
†Nor. Amer. Elev. 1st pf.	83	..
*Do., 2nd pref.	27	..
Do., com.	..	1
Nor. Telephone, c.	1½	..

[illegible]

*Issue carries arrears. *Currently paying on arrears.

Commodities

	Latest week	Previous week	Same week year ago
Cattle	[illegible]	[illegible]	[illegible]
Hogs	[illegible]	[illegible]	[illegible]
Copper, lb.	[illegible]	[illegible]	[illegible]
Coffee, lb.	[illegible]	[illegible]	[illegible]
Sugar, raw, lb.	[illegible]	[illegible]	[illegible]
Wheat, Man. (bu.)	[illegible]	[illegible]	[illegible]
Cotton, lb.	[illegible]	[illegible]	[illegible]
Hides	[illegible]	[illegible]	[illegible]
Weekly Indices			
U.S. Labor	[illegible]	[illegible]	[illegible]
Dow Jones (fut.)	[illegible]	[illegible]	[illegible]
Wool, Gundy	[illegible]	[illegible]	[illegible]
Fishers	[illegible]	[illegible]	[illegible]
Monthly Indices			
Canada (D.B.S.):			
Retail (Apr.)	117.6	117.2	115.9
W'sale (Apr.)	98.9	98.5	95.0
U. S. (Mar.)	103.4	102.5	97.6
Gt. Brit. (Feb.)	161.7	161.9	158.5

Note:—The base of indices is that 1926 equals 100 †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic. New York, No. 7 coffee. Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.33	3.65
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.70	4.05
Can. Investors	5.00	...
Corp. Investors	6.00	6.45
Trans-Canada	10.50	11.50

Oil Stocks (Cont'd)

Sunset	†.01½	.08	.08	..
Texas Can.	...	1.90	1.82	1.99
United Oils	...	.06½	.06½	.07½

▵Paid in 1942. †Interim paid in 1943.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 1, 1943

[illegible]

Corporation Bonds (Cont'd)

[illegible]

Annual Meetings

1943	Company	Place
June 7	Tip Top Tailors	Toronto
June 10	Candn. For. Invest.	Montreal
June 10	Dominion Coal	Montreal
June 10	Dom. Steel & Coal	Montreal
June 11	Quebec Gold Mining	Montreal
June 15	Castle-Trethewey	Toronto
June 15	McIntyre-Porc. Mines	Toronto
June 15	Omega Gold Mines	Toronto
June 15	Photo Engravers & Elec.	Toronto
June 15	Temiskaming Mining	Toronto
June 15	Western Grain*	Winnipeg
June 16	Dom. Textile	Montreal
June 16	Sylvanite Gold M.	Kirkland Lake
June 21	T. G. Bright	Niagara Falls
June 22	National Grocers	Toronto
July 14	Ritz-Carlton Hotel*	Montreal

*Bondholders.

Monthly Bank Clearings

	May 1943	May 1942
Halifax	$23,381,816	$17,687,804
Saint John	14,472,158	11,275,257
Moncton	4,859,951	4,710,562
Sherbrooke	4,887,758	4,504,714
Quebec	27,450,647	23,000,593
Montreal	772,859,926	531,875,146
Ottawa	680,459,060	445,583,227
Toronto	740,625,720	623,407,680
Hamilton	22,353,874	31,654,306
Kitchener	6,260,279	5,800,348
Brantford	5,685,668	4,996,416
London	15,032,668	12,861,304
Chatham	3,266,814	2,808,969
Fort William	5,718,804	4,563,381
Winnipeg	318,096,743	212,752,858
Brandon	2,329,229	1,832,850
Regina	30,916,248	23,039,587
Moose Jaw	3,692,769	3,058,964
Saskatoon	8,891,064	7,165,667
Prince Albert	2,786,260	2,071,772
Edmonton	36,404,534	25,896,650
Lethbridge	3,721,924	2,827,451
Medicine Hat	1,969,504	1,306,122
N. Westminster	3,659,703	4,064,206
Vancouver	123,131,471	93,564,242
Victoria	9,084,802	8,018,782

Municipal Bonds

June 1, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	113.75	116.75	3.62
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	119.00	122.00	2.35
†Vancouver	5	1970	108.00	111.00	4.31
Winnipeg	5	1944	100.00	102.25	1.96

†Payable Can. & N. Y. *Flat.

Drilling Wells

Well:	Drilling depth ft.	Offering price per 1%
Maryland Pete, pfd.	8,723	*$4,375
Major Oil No. 6 pfd.	8,022	3,800
[illegible]	8,022	6,300
[illegible]	....	*1,100
Phillips Kinsella‡	....	*2,100

*Acreage royalty. ‡Pegged price.

OIL ROYALTIES

Producing Wells — Prices and Payments

	May daily quota bbls.§	Mar. 15 daily quota bbls.§	Feb. pay. 1% $	Mar. pay. 1% $	April pay. 1% $	Total to Apr. 30 1% $	Offering price* per 1% $
Ace No. 1 gross	385	386	166.41	169.40	....	†4,699.44	....
Alta. Oil Inc. No. 1 gr.	65	65	27.60	37.20	26.40	3,738.40	$1,200
Do., No. 1 net	65	65	21.60	29.20	....	†4,169.60	900
Do., No. 2 gr.	325	389	152.00	140.00	138.80	4,988.80	....
Do., No. 2 net	325	380	107.20	97.20	121.20	6,495.40	3,800
Allied No. 1 pfd.	93	93	32.50	41.36	....	†1,639.06	1,500
Arrow No. 1 net	120	135	42.00	39.00	....	†922.15	1,300
Do., No. 2 net	150	170	54.00	52.00	....	†1,721.20	1,800
Atlas-Br. D. No. 2 pfd.	420	450	223.20	158.00	....	......	5,300
Atlas-Br. D. No. 3 pfd.	400	430	....	....	....	......	5,200
Bonaventure, pfd.	...	...	....	....	....	......	1,900
Do., gross	...	...	....	....	....	......	3,500
East Crest No. 5	115	115	46.40	52.50	$7.20	597.60	1,700
Independent No. 1 pfd.	200	200	88.17	94.57	....	......	2,900
Do., No. 1 gr.	200	200	74.67	81.88	....	†2,458.13	....
Major Oil No. 1 pfd.	95	95	48.40	45.20	....	†844.40	1,400
Do., No. 1 gr.	95	95	49.20	51.20	43.40	1,806.20	1,400
Do., No. 2 net	320	350	120.00	108.00	138.00	5,184.80	4,100
Do., No. 2 gr.	320	350	178.00	150.80	156.00	6,756.00	5,800
Do., No. 3 net	550	588	215.20	214.40	252.00	7,188.00	6,800
Do., No. 3 gr.	550	588	292.80	291.20	264.00	......	8,900
Do., No. 4 net	100	125	49.20	....	54.00	......	2,000
Do., No. 4 gr.	100	125	55.20	....	56.00	......	....
Do., No. 7 pfd.	450	500	226.80	227.60	298.40	1,810.80	6,800
Do., No. 7 dfd.	450	500	....	....	....	......	3,600
Do., No. 7 gr.	450	500	202.40	213.20	216.00	2,382.40	....
Do., No. 8 pfd.	165	225	98.80	116.00	99.60	741.60	3,100
Do., No. 8 gr.	165	225	91.20	104.80	80.40	1,186.40	....
Do., No. 8 dfd.	165	225	....	....	....	......	1,400
Do., No. 9 gr.	320	320	134.00	129.60	160.40	1,737.80	....
Do., No. 9 pfd.	320	320	159.60	143.60	....	†375.60	5,000
Do., No. 9 dfd.	320	320	....	....	....	......	1,500
Miracle No. 1 net	300	300	90.12	107.96	....	†5,121.62	3,000
Do., No. 1 gr.	300	300	129.20	148.61	....	†5,253.23	5,300
Do., No. 2 pfd.	160	200	91.16	87.04	....	......	2,800
Do., No. 2 gr.	160	200	82.80	75.86	....	†1,201.58	....
Miracle No. 3 pfd.	...	...	....	....	....	......	3,800
Do., No. 3 gr.	...	...	....	....	....	......	5,900
National Vulcan	...	...	....	....	....	......	4,000

*Approximately 25% over dealers' bid pricse. †To March 31 only. §Aproximate.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Un. Gr. Gr. (C)	4½%	1949	July 2	102
Do., (A)	5%	1948	July 2	101
Shawinigan W.	*4%	1961	Oct. 1	103
Nan-Dun. Utl. A	5½%	1964	July 2	104
Para. Pict. debt	4%	1956	June 23	103
Ham. By-Pd. c.‡	5%	1955	June 30	102.8
Col. Steamships	6%	1954	July 1	102
Okanagan Tel.	4½%	1960	July 1	102
Unit. Amuse. A▵	5%	1956	Aug. 1	103¼

*$2,224,000. †$3,000,000. ‡$22,000. ▵$19,000.

Bond Tenders

3 p.m., June 7, R. C. School Commissioners, Quebec—$336,000, 3½%, dated May 1, 1943, redeemable serially from May 1, 1944, to 1963. Eugene Huot, sec.-treas.

Prudential Trust Co. is now sending out cheques and stock certificates to bondholders of Montreal Property Corp. under the terms of the arrangement approved last August. At that time the company sold the larger proportion of its Toronto houses to Larchberk Properties Ltd. In return the holders of Montreal Property Corp. Series A and B bonds, received $50 cash for each $1,000 par value of bonds held and an equal amount of 6% non-cumulative preferred stock in Larchberk Properties.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, pf.	1.75	July 2	May 31
Algoma Steel, pf.	2.50	July 1	June 1
Aluminum	2	June 5	May 14
Assoc. Brew.	.25	June 30	May 31
Do., pref.	1.75	July 1	May 31
Anglo Huronian	.10	July 22	June 15
Asbestos Corp.	.20	June 30	June 1
Do., bonus	.10	June 30	June 1
Amer. Cyan. A, B	.15	July 1	June 12
Do., pref.	.12½	July 1	June 12
Beatty Bros. A	.25	July 1	June 15
Do., 2nd pref.	3.50	July 1	June 15
Bell Telephone	2	July 15	June 23
Bk. of Nova Scotia	2.50	July 1	June 15
Belding Corticelli	1	July 1	May 31
Do., pref.	1.75	July 1	May 31
Berens River Mines	*.03	June 10	May 7
Barber Ellis	.12½	June 15	May 31
Beattie Gold	.04	June 30	May 12
Bright T. G., pfd.	1.50	June 15	May 31
Brazilian Tr.	.75	June 15	Apr. 27
Brazilian Tr., pfd.	1.50	July 2	June 18
Bruck S. Mills	■.10	June 15	May 14
Buff. Ankerite G.	.05	June 17	June 3
Burlington Steel	.15	July 2	June 10
Blue Top Brew. A	.30	June 30	June 15
B.C. Power (A)	.50	July 15	June 30
Can. Gen. Elec.	2	July 1	June 12
Can. Machinery	.50	June 28	June 14
Canada Packers	1	July 2	June 1
Can. Steams., pfd.	1.25	July 1	June 4
Can. Cottons	1	July 2	June 4
Do., pref.	1.50	July 2	June 4
Canadn Oil, pfd.	2	July 2	June 18
Cariboo Gold	■.02	July 2	June 8
Canada Cement, pfd.	1.25	June 21	May 26
Canada Bread	.10	July 1	June 10
Do., 1st pref.	1.50	July 1	June 10
Do. (B) pref.	.62½	July 1	June 10
Chartered Trust	1	July 1	June 15
Can. Perm. Mtge.	2	July 2	June 15
Can. Canners	.12½	July 1	June 15
Do., 1st pref.	.25+.05	July 1	June 15
Do., conv. pref.	.15+.05	July 1	June 15
Carnation Co.	†1.00	July 1	June 19
Can. Fd. & Fg. A	.37½	June 15	June 1
Canada Dry	†.15	June 9	May 26
Can. Wire & C. (A)	1.00	June 15	May 31
Do. (B)	.25	June 15	May 31
Do., pref.	1.62½	June 15	May 31
Can. For. Invest., pf.	■2	July 1	June 1
Canada Malting	.50	June 15	May 15
Can. Silk Prod.	.37½	June 30	May 31
Can. For. Invest., pf.	■2	July 1	June 1
Can. Malartic Gold	.02	June 30	May 6
Can. Nor. Power	■.15	July 26	June 19
Do., pref.	■1.75	July 15	June 19
Can. Breweries, pf.	.85	July 1	May 15
Can. Crushed Stone	.10	June 15	June 1
Can. Westinghouse	■.50	July 1	June 16
Command Oils	.03	June 7	May 15
Coniaurum Mines	.06	June 30	May 12
Cent. Pat. Gold	.03	June 30	May 31
Col. Steamships	2.50	June 12	May 25
Crown Trust	1	June 30	June 23
deHavilland Air.	1.75	June 15	June 1
Do., arrears	1.75	June 15	June 1
Dunlop Tire, pref.	.62½	June 30	June 15
Deb. & Secs., pfd.	2.50	July 1	June 15
Distillers-Seag.	.55½	June 15	June 1
Do., pref.	†1.25	Aug. 2	July 15
Dome Mines	■.40	July 30	June 30
Dom. Textile	1.25	July 1	June 4
Do., pref.	1.75	July 15	June 15
Dom. Found., c.	.25+.10	July 2	June 10
Dominion Stores	.10	June 19	May 24
English Electric A	.25	June 15	May 31
Foundation Co.	.35	July 23	June 30
Fleet Aircraft	■1.25	June 15	May 15
Falconbridge N.	.07½	June 30	May 4
Ford Motor, A, B	.25	June 19	May 29
Fanny Farmer	†.37½	July 1	June 10
Gt. West Sadd. pf.	.75	July 6	June 5
Gatineau Pwr.	.15	June 30	June 1
Do., 5% pref.	1.25	July 1	June 1
Do., 5½% pref.	1.38	July 1	June 1
Gt. Lks Pap. A, B, p.	.25	July 2	June 2
Hamilton Cotton	.10	July 2	June 15
Do., pref.	.50	July 2	June 15
Ham. Un. Theat., p.	1.25	June 30	June 15
Hinde & Dauch	.25	July 1	June 5
Huron & E. Mtge.	1	July 1	June 15
Hard Rock Gold	.03	June 31	May 25
Hiram Walker	1	June 15	May 14
Do., pref.	.25	June 15	May 14
Home Oil	*■.15	June 15	May 10
Honey Dew	.50	July 1	June 15
Hudson Bay M.	1	June 28	May 28
Hollinger Cons.	.05	June 17	June 3
H. Smith Paper, p.	1.50	July 20	June 30
Inter. Nickel, c.	■.50	June 30	June 1
Imperial Tob. ord.	.10	June 30	May 28
Invest. Found.	.75	July 15	June 15
Jam. Pub. Serv.	.17	July 2	May 31
Do., pref.	1.75	July 2	May 31
Kerr Addison	.07	June 29	June 1
Lang, J. A.	.17½	July 2	June 10
Langley's pref.	■.50	Jun. 11	Jun 3
Do.	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Lake Shore Mines	.20	June 15	May 15
Landed Banking	1	July 1	June 15
Louisiana Land	†.10	June 15	June 1
Midland Loan	.40	July 1	June 15
MacK. Struc. Stl., p	§1.25	June 15	May 31
Mitchell Robt.	1	June 30	June 10
Maritime Tel.	.17½	July 15	June 19
Do., pref.	.17½	July 15	June 19
McK. Red Lake G.	.03	June 17	June 1
Montreal Cottons	1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Model Oils	.02	June 19	May 22
Montreal Loan	.31¼	June 15	May 31
Melchers Dist. pfd.	.30	June 30	May 31
Macassa Mines	.06	June 15	May 31
National Grocers	■.40	July 1	June 1
Do., pref.	.37½	July 1	June 1
National Brew.	.50	July 1	June 2
Do., pref.	.44	July 1	June 2
Nat. Steel Car	1	July 15	June 15
New Meth. Ldy p	1.62½	June 17	May 31
Noranda Mines	1	June 15	May 14
Nor. Ont. Pwr.	.12	July 26	June 30
Do., pref.	1.50	July 26	June 30
Ont. Loan & Deb.	1.25	July 2	June 15
Ont. Tobacco, pfd.	3	June 15	June 1
Ottawa L. H. & Pr.	.15	July 1	May 10
Do., pref.	1.25	July 1	May 10
Ogilvie Flour	.25	July 1	May 28
Ont. Steel Prod.	.25	Aug. 16	July 16
Do., pref.	1.75	Aug. 16	July 16
Ottawa El. Rly.	.50	July 1	June 1
Page Hersey	1.25	July 1	June 15
Perron Gold	■.02	June 30	May 31
Paton Mfg.	*1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Pickle Crow	.05	June 30	May 31
Placer Devel.	.25	June 15	May 21
Power Corp.	■.15	June 30	June 10
Do., pref.	■1.50	July 15	June 19
Do., 2nd pref.	■.75	July 15	June 19
Preston E. Dome	.05	July 15	June 15
Price Bros., pfd.	1.37½	July 1	May 31
Pend Oreille M.	†.06	July 28	June 28
Proprietary Mines	.07	July 7	June 4
Real Est. Loan	1	July 2	June 17
Riverside Silk	.50	July 2	June 12
Regent Knit., pfd.	.40	Sept. 1	Aug. 2
Do.	.40	Dec. 1	Nov. 2
Reliance Grain, p.	1.62½	June 15	May 31
Sigma Mines	■.30	July 28	June 28
Sherritt Gordon	.03	June 30	May 14
Sherwin-Wms. pf.	1.75	July 2	June 10
Simpsons Ltd.	▲2.00	June 15	May 15
Siscoe Gold	§.01	June 15	May 12
South Can. Pwr.	■.20	Aug. 16	July 20
Do., pref.	■1.50	July 15	June 19
Sylvanite Gold	.03	July 15	May 25
Stedman Bros.	.15	July 1	June 20
Do., pref.	.75	July 1	June 20
Securities Holding, p.	.75	June 30	June 16
Stand. Fuel, pfd.	1	July 1	June 15
Do., arrears	1	July 1	June 15
Supersilk N., pfd.	2.50	July 2	June 18
Tip Top Tailors	.07½	July 1	June 1
Do., pref.	1.75	July 1	June 1
Tamblyn	.20	July 1	June 11
Do., pref.	.62½	July 1	June 11
Tor. Elevators, pfd.	.66	June 7	May 17
United Corp. (A)	.38	Aug. 16	July 15
United Fuel, p (A)	.75	July 1	June 10
Wabasso Cotton	1	July 1	June 1
Walkerville Brew.	■.05	June 29	June 15
Wr. Hargreaves	.07½	July 2	May 27
Weston, Geo., c.	.20	July 2	June 5
Waite Amulet	.15	June 10	May 10
Wilsil	.25	July 1	June 1
H. Walker-Good.	1	June 15	May 14
Do., pref.	.25	June 15	May 14

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. ▲On arrears. *Interim. §Initial.

Weekly Bank Clearings

	May 27 $	Change yr. ago %	May 20 1943 $
Halifax	4,403,441	+32.2	6,312,707
Saint John	2,459,656	−12.3	4,369,341
Moncton	1,048,630	+16.2	1,155,233
Sherbrooke	893,262	+14.5	1,140,959
Quebec	5,312,826	+30.5	7,188,127
Montreal	134,436,287	+31.2	206,726,652
Ottawa	118,790,456	+22.1	224,129,439
Kingston	745,458	+16.1	964,744
Peterborough	920,599	+46.0	980,978
Toronto	124,040,921	+9.4	204,382,010
Hamilton	6,536,284	+14.7	8,403,070
St. Catharines	1,718,311	+23.2	1,636,975
Kitchener	1,190,665	+17.9	1,453,844
Brantford	1,069,994	+15.5	1,243,495
London	3,021,779	+27.8	3,453,190
Chatham	638,913	+9.6	641,649
Windsor	4,136,272	+13.9	5,006,245
Sarnia	672,251	+76.3	855,109
Sudbury	1,102,769	−13.1	1,204,103
Fort William	832,068	−8.6	1,217,441
Winnipeg	56,689,377	+53.2	75,880,327
Brandon	435,684	+26.2	544,503
Regina	5,754,616	+31.0	6,124,459
Moose Jaw	800,424	+24.0	845,872
Saskatoon	1,770,251	+31.0	2,019,927
Prince Albert	504,733	+32.6	655,976
Edmonton	7,496,164	+50.5	9,665,025
Calgary	6,663,443	+22.9	8,905,627
Lethbridge	735,003	+8.4	966,076
Medicine Hat	419,870	+74.0	461,650
N. W'minster	759,811	−23.0	845,610
Vancouver	27,835,729	+55.1	29,782,805
Victoria	1,966,735	+17.5	2,174,118

DIVIDEND NOTICES

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of one dollar ($1.00) per share has been declared payable on July 15th, 1943, to shareholders of record at the close of business June 15th, 1943.

By order of the Board.

CHAS. W. ADAM, Secretary.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 371

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 17th day of June, 1943, to shareholders of record at the close of business on the 3rd day of June, 1943.

Dated the 27th day of May, 1943.

P. C. FINLAY, Secretary.

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares.

Montreal, Canada. May 19, 1943.

The Board of Directors has declared a quarterly dividend of $1.25 a share on the 5% Cumulative Preferred Shares and $1.38 a share on the outstanding 5½% Cumulative Preferred Shares of the Company payable July 1, 1943, to shareholders of said classes of record at the close of business on June 1, 1943; also a quarterly dividend of Fifteen cents ($.15) a share on the outstanding Common Shares of the Company payable on June 30, 1943, to shareholders of said class of record at the close of business on June 1, 1943.

Cheques in payment will be mailed. Stock transfer books will not close.

J. R. BINKS, Secretary.

Canada Machinery Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that the Directors of Canada Machinery Corporation Limited have declared a dividend of fifty cents per share on the No Par Value Common Shares of the Company, payable on June 28th, 1943, to shareholders of record on the books of the Company on the 14th day of June, 1943.

By order of the Board.

J. G. GIBSON, Secretary.

May 29th, 1943.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of two dollars per share for the quarter ending June 30, 1943, has been declared on the Common Stock of the Company.

That the above dividend is payable on July 1, 1943 to shareholders of record at the close of business on June 12, 1943.

By Order of the Board.

W. H. NESBITT, Secretary.

Toronto, May 27, 1943.

The Hamilton Cotton Co. Ltd.

Dividend Notice.

Notice is hereby given that the regular Quarterly Dividend of 50 cents per share on the outstanding Preferred Shares of the Company and a Dividend of 10 cents per share on the outstanding Common Shares of the Company have been declared for payment July 2nd, 1943 to Shareholders of record at the close of business June 15th, 1943.

By Order of the Board,

E. GLOVER HOWE, Secretary.

Dated at Hamilton, May 26th, 1943.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of Two Dollars per share has been declared payable on the 15th day of July, 1943, to shareholders of record at the close of business on the 23rd of June, 1943.

G. H. ROGERS, Secretary.

Montreal, May 26, 1943.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of thirty-five (35c) cents per share for the Quarter ending June 30, 1943, has been declared on the No Par Value Common Stock of the Company, payable July 23, 1943, to shareholders of record at the close of business on June 30, 1943.

By Order of the Board.

C. E. GREARSON, Secretary.

Montreal, May 27, 1943.

DIVIDEND NOTICE

THE ROBERT MITCHELL CO. LIMITED

Notice is hereby given that a dividend of One Dollar ($1.00) per share upon the outstanding Capital Stock of the Company has been declared payable on the 30th day of June, 1943, to shareholders of record on June 10th, 1943.

By Order of the Board.

H. S. McGEE, Secretary.

Montreal, P.Q., May 27th, 1943.

Proprietary Mines Limited

DIVIDEND NO. 11

NOTICE is hereby given that a dividend of Seven Cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on July 7th, 1943, to shareholders of record at the close of business on June 4th, 1943.

By Order of the Board,

J. INGRAM, Secretary-Treasurer.

Toronto, Ont., May 26th, 1943.

KERR-ADDISON GOLD MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 18

Notice is hereby given that an interim dividend of seven cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on Tuesday, June 29th, 1943, to shareholders of record at the close of business on Tuesday, June 1st, 1943.

By Order of the Board.

G. A. CAVIN, Secretary-Treasurer.

Toronto, Ontario, May 26th, 1943.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

FRIDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1943.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 19th, 1943.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICES

PREFERRED DIVIDEND NO. 57

TAKE NOTICE that the regular Quarterly Dividend of $1.625 per Share, on the outstanding Preferred Stock of the Company for the three months' period ending 31st May, 1943, has been declared as Dividend No. 57, payable 15th June, 1943, to Shareholders of record at the close of business 31st May, 1943.

CLASS "A" DIVIDEND NO. 31

ALSO TAKE NOTICE that a Dividend of $1.00 per share on the outstanding Class "A" Common Shares of the Company has been declared as Dividend No. 31, payable 15th June, 1943, to Shareholders of record at the close of business 31st May, 1943.

CLASS "B" DIVIDEND NO. 21

ALSO TAKE NOTICE that an Interim Dividend of .25 cents per Share on the outstanding Class "B" Common Shares of the Company has been declared as Dividend No. 21, payable 15th June, 1943, to Shareholders of record at the close of business 31st May, 1943.

By Order of the Board.

A. L. SIMMONS, Secretary.

Toronto, 25th May, 1943.

Canadian Car & Foundry Company Limited

Dividend Notice — Preference Stock

Notice is hereby given that a dividend of fifty-three cents (53c) per share, being at the rate of $2.10 per annum, on the paid up Preference Stock of the company for the quarter ending June 30th, 1943, has been declared, payable on the 10th day of July, 1943, to Shareholders of record on the 22nd day of June, 1943.

By Order of the Board,

A. C. BOURNE, Secretary.

Montreal, May 31st, 1943.

Supersilk Hosiery Mills Limited

Dividend Notice

Notice is hereby given that a semi-annual dividend at the rate of 5% per annum on the Preferred Shares of this Company for the half year ending June 30th, 1943, has been declared, payable July 2nd, 1943, to shareholders on record at the close of business, June 18th, 1943.

By order of the Board.

J. G. THOMPSON, Secretary-Treasurer.

London, Ontario May 26th, 1943.

Ventures Limited

DIVIDEND NO. 16

NOTICE IS HEREBY GIVEN that a dividend of 10 cents per share has been declared by the Directors of Ventures Limited, payable in Canadian funds, on July 7th, 1943, to shareholders of record June 10th, 1943.

Payment of this dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By Order of the Board,

H. WHITTINGHAM, Secretary-Treasurer.

May 31st, 1943.

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited

(Non-Personal Liability)

Dividend No. 31

NOTICE IS HEREBY GIVEN that a quarterly dividend of two cents (2c) per share, on the paid up capital stock of the company, will be paid July 2, 1943, to shareholders of record June 8, 1943, subject to the approval of the Foreign Exchange Control Board.

The Books of the Company will be closed for the transfer of shares from June 9, 1943 to June 11, 1943, inclusive.

By Order of the Board.

J. R. V. DUNLOP, Secretary-Treasurer.

Vancouver, B.C., May 27, 1943.

The de Havilland Aircraft of Canada, Limited

Notice is hereby given that the following dividends have been declared by this Company:

1¾% quarterly dividend on the 7% Cumulative Preferred Stock of this Company, payable June 15th to Shareholders of record June 1, 1943.

1¾% on the 7% Cumulative Preferred Stock of this Company, payable June 15th to Shareholders of record June 1, 1943.

By Order of the Board,

GEO. J. MICKLEBOROUGH, Secretary-Treasurer.

TORONTO, June 2, 1943.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY B-A LIMITED

NOTICE is hereby given that a dividend of Twenty-Five Cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the second quarter ending June 30th, 1943. The above dividend is payable in Canadian funds, July 2nd, 1943, to shareholders of record at the close of business on the 4th day of June, 1943.

H. H. BRONSDON, Secretary.

Dated at Toronto, May 31st, 1943.

Dollar Wheat Steadies Market

All New Deliveries From Farms Readily Absorbed

From Our Own Correspondent

WINNIPEG.—The month of May closed with cash wheat and all wheat futures trading at $1 per bushel or better on the Winnipeg market. Although actual price changes had been small, this was a better showing than had been made since the first week in May.

Since wheat prices first reached the dollar mark this year fluctuations have been small. Nevertheless, the market must be considered to have made a remarkable display of strength. It has been able to absorb all new deliveries of wheat by farmers, who have been selling outright on the market, with no assistance from the Wheat Board. Deliveries by farmers in the country have lately been running at slightly over 1 million bushels daily. It would appear that a considerable amount of investment buying must be developing from day to day.

Buying Methods Not Changed

It is not supposed that the British authorities, who have been accustomed in the past to buy wheat direct from the Canadian Wheat Board, outside the machinery of the market, have changed their buying methods. Canadian mills must buy constantly, against their needs for domestic milling, but these do not run to much more than a million bushels weekly. Occasional sales are made to neutral countries, including southern Ireland, Portugal and Spain. Millers in the United States buy certain quantities of Canadian wheat for milling in bond for their export trade, but that is of too small size to make their purchases run to any large volume. Apparently there must be other buyers, either increasing in number or in willingness to make commitments for wheat, who are buying it now because it seems to them to be cheaper than it will be later. They expect either to need it later, or to resell it at a better price.

Look for Dollar Parity

One factor which is possibly playing some part in the situation is the belief, held in many quarters in the United States, that the Canadian dollar and the United States dollar may achieve parity with each other before long; if not before the end of the war, then soon after. The purchaser in the United States when he buys Canadian wheat is paying approximately 90 cents a bushel in his own money. He observes that the Canadian market appears to be pegged so that it cannot fall below 90 cents a bushel, Canadian funds, which in due course may be equal to 90 cents American funds. If the monetary forecast is correct, the investment looks like one containing a substantial hedge against loss, with some possibility of profit.

That there has been some such thinking seems to be borne out by the comparative ease with which the market reached one dollar per bushel and some degree of stickiness around that level. Nevertheless, there are many in the market who expect wheat to go higher, even if British buying continues to be so segregated as to have no market interest. That is due in part to the expectation that the United States Government, the first 7½ million bushels of Canadian wheat which it recently purchased having been absorbed as feed grain, will be back in the market for further substantial quantities.

Should Turn to Wheat

Some circles in the United States are known to be advancing the belief that that country, instead of buying Canadian oats in considerable quantity, as is now being done, should switch feed buying into wheat, on the grounds that a greater tonnage of wheat than oats can be moved with a given freight capacity. Quite apart from that idea, it is known that there are fears in the United States that the livestock feeding program on which the country is now engaged is so vast that it cannot possibly be completed without very heavy purchases of feed grains from Canada. Apprehension on that score is increased by the fact that the corn crop has been slow in getting seeded and started.

The Business Of Farming

By GORDON L. SMITH

The seed potato market seems to have got almost completely out of hand. For some unexplained reason the price of this staple line has not been controlled and quotations, in many parts of Canada, have jumped from around $2 a bag of 75 pounds to over $4.50 in the last month. Moreover although the season for planting is passing quickly, supplies have been exceedingly difficult to secure in many districts and especially so around the larger centres of population.

Throughout the country and among city Victory gardeners this year there has been a great deal of criticism. Potatoes are a staple crop in every province of Canada and one of our most important food items. A big crop is vital this year.

• • •

Authorities Criticized

Under the circumstances most people believed that the authorities would have made every effort to get a big acreage planted, and especially so when the season turned so unfavorable in a large section of central Canada. Actually, however, to many observers, the opposite course seems to have been adopted.

While a rigid ceiling price has long been applied to practically every other commercial seed line, there has been no control of seed potatoes. Table stock recently came under the ceiling but not the specially grown and inspected spuds that are used for planting. Moreover in some places one could not buy seed stock except by the 75 or 100lb. bag. A man who wanted to plant a few rows was simply out of luck. And while Ottawa washed its hands of price control all sorts of other restrictions were continued. For instance merchants and farmers are forbidden by law from selling any table stock potatoes for seed purposes, although these of course will grow and produce a crop.

• • •

Short Crop Next Fall?

As a result of all this trouble—wet weather, high prices, restrictions and scarcity—many observers are already predicting a very short crop of potatoes in Canada this fall. If so, we will face a most serious situation because potatoes form a substantial part of our daily meals. However, it is a little soon yet to make definite crop forecasts.

With potatoes even more than most farm lines, the type of growing weather is the biggest factor in determining yields. The latter may run from two or three bags for each bag of seed sown to 10 or 20. The late start this season in central Canada is not a favorable factor but if the crop escapes serious blight and early frosts there will be compensations.

As for the effect of high price on acreage, that too is problematical. Just after the First Great War potatoes soared to $7 a bag one spring. Hoping to make a killing many farmers planted heavily. The resulting crop sold for 50 cents a bag.

No doubt some growers will extend acreage this season if they possibly can, and on the same theory, but even if they are able to, with help so scarce and war food demands growing, a real collapse of prices this fall is most unlikely.

D. A. Kane Joins Can. Wheat Board

From Our Own Correspondent

WINNIPEG. — Appointment recently announced at Ottawa of D. A. Kane to the Canadian Wheat Board, in succession to the late Charles Folliott, had been anticipated in grain circles and appears to meet with approval. Mr. Kane has had long experience in the operation of country and terminal elevators. Recently he was with the Manitoba Pool Elevator System.

For some time rumors had been to the effect that the government was trying to obtain Mr. Kane's services, but that he was reluctant to accept office. On a previous occasion Mr. Kane had been drafted into the service of the board, although not as member of it.

Although the Wheat Board has not for some time been getting wheat delivered to it by farmers, who find they can get more money by selling outright on the market, problems of the Board in dealing with storage of wheat in country and terminal elevators, and in regulating shipments of grain therefrom, have been very pressing. This fact should make the experience of the new member valuable to the Board.

DIVIDEND NOTICES

W. D. Beath & Son, Limited

Dividend Notice

Notice is hereby given that the Company has declared a dividend of eighty cents (80c) per Class "A" Share, on its issued and outstanding Class "A" Shares, payable on July 15th, 1943, to shareholders of record as of the close of business on July 1st, 1943.

O. A. LEFRANCOIS, Secretary-Treasurer.

Toronto, June 1st, 1943.

NOTICE

Western Grain Company Limited

A meeting of the holders of First Mortgage Series "A" Bonds, Western Grain Company Limited, has been called for June 15th, 1943, at the Office of the Trustee, Montreal Trust Company, Winnipeg.

Forms giving details of the Plan of Reorganization and forms for depositing of bearer bonds and appointment of proxy and registered bond proxy are available at the offices of Montreal Trust Company in the cities of Montreal, Toronto, Winnipeg, Edmonton, Vancouver, Halifax and St. John's, Newfoundland.

Bondholders are urgently requested to arrange for the deposit of their bonds at once to save the expense of and delays occasioned by an adjourned meeting.

Western Grain Company Limited

The Week in Business

A comparison of monthly figures for federal expenditures with estimates of national income, as prepared by the Dominion Bureau of Statistics, illustrates the importance of the part played by the Dominion itself in the general business picture. National income figures for April are not yet available, but, assuming approximately the same amount as in March, then the Dominion's total expenditures were about a quarter of the total national income. This particular month is probably below the recent average as February and January show Dominion Government expenditures at about a third of national income and April, 1942, shows them at 40%.

	Apr.	Mar.	Feb.	Jan.	Year Ago
Financial Post Production Index	257.3	252.4	252.0	239.0	208.1
National income D.B.S. (c)	....	725	700	693	583
Dom. war expend. (million $)	136.9	....	199.6	185.0	135.0
Dom. total revenue (do.)	177.8	....	169.4	216.8	170.8
Dom. total expend. (do.)	169.5	....	228.1	233.2	240.3
Dept. store sales index no.	153.1	164.2	154.5	147.8	168.8
Retail sales index no.	....	167.7	168.5	155.5	161.4
Wholesale sales index no.	....	173.6	146.2	129.9	155.4
■Country store (% change pr. yr.)	+14.5	+13.0	+16.4	+7.9	+14.0
Divd. payment index	122.0	122.1	122.3	122.5	121.0
Bank deposits (1935-39=100)	163.8	151.7	150.0	157.0	140.0
■Cash and cheque pay. index	162.3	161.9	149.2	155.3	144.8
■Bank debits (1935-39=100)	156.6	158.7	152.1	148.3	143.6
■Money supply (c)	4,536	4,244	4,182	4,344	3,835
NEWSPRINT % OF CAPACITY—					
Production ratio	62.0	64.2	64.9	65.6	75.0
Shipment ratio	65.0	64.6	65.1	60.4	64.4
RAILWAY FREIGHT LOADINGS—					
■Tons (D.B.S. index)	201.6	194.1	183.2	158.6	189.3
■Cars (D.B.S. index)	144.1	143.7	139.7	130.5	140.3
COST OF LIVING—					
D.B.S. index	117.6	117.2	116.9	117.1	115.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	181.5	181.2	183.7	165.1
Manufacturing	....	223.4	222.1	219.6	195.7
Payrolls (June 1/41=100) (b)	....	143.2	139.5	131.9	119.3
Payroll index (a) (1937=100)	....	228	214	216	191

	1943	1942	1943 Jan 1 to date	1942 Jan 1 to date	Change %
RAILWAYS—					
■Carloadings (week May 22)	67,276	66,059	1,298,527	1,309,429	−0.8
C.P.R. gross (week May 21) $	5,600,000	4,960,000	103,297,000	93,099,000	+10.9
C.N.R. gross rev. ... (Apr.) $	38,444,000	28,316,000	134,551,000	107,939,000	+24.6
C.N.R. net rev. .... (Apr.) $	9,334,000	7,078,000	26,814,000	22,303,000	+20.2
■C.P.R. gross rev. ... (Apr.) $	24,045,596	20,621,507	87,328,253	78,266,351	+11.5
■C.P.R. net rev. ... (Apr.) $	3,790,870	3,556,147	12,468,312	13,540,158	−10.9
IRON AND STEEL—(April)—					
■Pig iron production (tons)	150,486	160,408	565,154	634,653	−10.9
■Steel production ... (tons)	264,357	264,988	987,915	1,032,828	−4.3
CONSTRUCTION—					
Contracts awarded (Apr.) $	16,047,300	22,512,100	58,161,200	64,295,600	−9.5
Building permits .. (Apr.)	7,342,378	11,299,775	18,332,275	29,110,718	−37.0
Cement prod., bbls. (Feb.)	277,766	299,361	571,901	582,756	−1.8
AGRICULTURE—					
Flour prod., bbls. .. (Mar.)	2,193,029	1,806,854	6,146,803	4,947,682	+24.2
Cattle sales▲ .... (Apr.)	84,680	79,608	314,254	359,331	−12.5
Hog sales▲ .... (Apr.)	531,813	631,098	2,155,323	2,226,043	−3.1
SEA FISHERIES—‡					
Catch cwts. ...... (Apr.)	297,008	313,507	1,415,238	2,377,574	−40.4
Landed value .... (Apr.)	1,642,790	1,302,052	4,311,922	3,893,978	+10.7
NEWSPRINT—					
Production, tons ... (Apr.)	229,373	227,741	931,779	1,163,581	−19.9
Exports, tons ...... (Apr.)	226,886	221,541	866,650	1,034,434	−16.3
MINING AND OILS—					
Coal prod., tons ... (Mar.)	1,665,853	1,610,232	4,766,921	5,241,510	−9.0
Gold rec., fine oz. . (Mar.)	279,282	377,109	963,137	1,164,622	−17.3
Petroleum prod., brl. (Feb.)	779,998	846,026	1,640,788	1,721,685	−4.7
ELECTRIC POWER OUTPUT—(April)—					
■Total monthly 1,000 kw.h.'s	3,268,197	3,082,740	12,766,344	12,394,420	+3.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. . (Mar.)	3,183,049	2,921,536	8,623,240	8,011,567	+7.6
Cotton consump., lb. (Apr.)	15,899,807	17,863,817	64,587,318	67,591,809	−4.4
Cigarette cons., No.† (Apr.)	986,666,102	767,456	3,858,883	3,076,734	+25.4
FINANCE—					
■Bank debits† .... (Apr. 3) $	4,070,713	3,733,219	15,694,067	14,033,701	+11.8
Bond sales† .... (Mar.) $	378,948	1,088,280	1,113,282	1,279,470	−12.9
Life insurance sales (Mar.) $	46,730,000	35,876,000	127,570,000	118,314,000	+7.7

‡Unrevised figure, covering N.S., P.E.I., N.B., Que., B.C. •Millions of dollars. †000 omitted. (c) 000,000's omitted. ▲Total at yards and plants. ■1935-39=100. (b) All industries. ♦Supplied by Nesbitt, Thomson & Co. (a) Compiled by Canadian Bank of Commerce.

Wheat Prices

Winnipeg Grain Futures

Week of May 31, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close May 31
		Wheat			
1.02⅝	.91¾	May	1.00¼	.98⅝	1.01¼
1.03⅝	.95⅛	July	1.01¼	.98¾	1.00⅝
1.04¼	.96	Oct.	1.01⅞	.99¼	1.01⅝
.02⅞	.99⅝	Dec.	1.02⅛	1.00⅛	1.01⅞
		Oats			
.51⅛	.45⅝	May	.51½	.51⅛	.51½
.51⅜	.47⅝	July	.51½	.51½	.51½
.51½	.49¾	Oct.	.51½	.51½	.51⅛
.51½	.51⅛	Dec.	.51½	.51½	.51½
		Barley			
.64¾	.62⅝	May	.64¾	.64¾	.64¾
.64¾	.62⅞	July	.64¾	.64¾	.64¾
.64¾	.62¾	Oct.	.64¾	.64¾	.64¾
.64¾	.64⅛	Dec.	.64¾		.64¾
		Rye			
.86½	.56¼	May	.86⅛	.83⅛	.84¾
.87⅝	.65	July	.87¾	.83	.87¾
.88¾	.70⅛	Oct.	.88¾	.84	.88⅝

Cash Quotations

	For Week May 31 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	1.00⅛	.98⅝	.98¾	.97¾
2 Nor.	.96⅞	.95⅝	.95¾	.94¾
3 Nor.	.94⅛	.93⅛	.93⅞	.93
4 Nor.	.90⅝	.89¼	.90½	.89½
5 Wheat	.85⅞	.85⅛	.85¾	.84¾
6 Wheat	.84⅞	.84⅛	.84¾	.83⅝
Oats:				
2 C. W.	.51½	.50¾	.51½	.51⅛
3 C. W.	.50¼	.48⅛	.50	.49¼
Barley:				
1 Feed	.63	.60¼	.62⅛	.63
2 Feed	.60¼	.59¼	.60¼	.59¾
Rye:				
2 C. W.	.87	.83⅛	.81¾	.79⅛

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American Cyanamid Co. reports gross earnings of $9.9 millions for the quarter ended March 31, 1943, compared with $8 millions for the corresponding quarter of 1942. Net profit applicable to the common shares is $1.6 millions for the latest period against $1.3 millions last year. Earnings per share of common are 62 cents in 1943 period compared with 49 cents in 1942.

National Steel Car Corp. has declared a quarterly dividend of $1 a share, payable July 15 to shareholders of record June 15. This compares with the previous rate of 50 cents a share quarterly maintained since Oct., 1937. While there is no official statement, it is assumed that the stock will be on a regular basis of $1 quarterly from now on.

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We Have Been Asked . . .

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INCOME TAX

Medical Expenses

I have had very heavy medical expenses this year which will far exceed 5% of my income. Do I deduct these excessive medical expenses before computing my normal tax?

Yes, you should deduct the excess over 5% of your income from your income, before computing either normal or graduated tax.

Investment Surtax

In computing the 4% surtax on investment income do you take an exemption of $1,500, or $1,500 plus the statutory exemption of $660? Last week in regard to an investment income of $2,700, you said the last method should be followed. I understood the taxpayer was entitled only to the $1,500 exemption in figuring the surtax.

Yes, only the $1,500 exemption is allowed when calculating surtax. The taxpayer should not take the $660 exemption.

Exemption as Married Man

I used to claim exemption of $1,500 from my income for income tax as a married man. Now, I am told, instead of taking an exemption, I made a deduction from my tax. How does this work?

The special exemption as a married man was done away with in June, 1942.

On the normal tax a married man is allowed a 7% rate no matter what his income may be. This compares with 8% and 9% levied on single men in higher income brackets. The graduated tax of a married man is levied by deducting the statutory exemption of $660 allowed both married and single men, and then calculating the graduated tax at the established rates. The married man is then allowed to deduct $150 from the tax payable. This replaces the former higher exemption a married man was allowed.

INVESTMENTS

Maple Leaf Milling

I would appreciate a report on the financial position of Maple Leaf Milling Co., having particular regard to its common shares.

Operations of Maple Leaf Milling Co. to date in the year which ends July 31 next have improved over the preceding year. The company's mills have operated practically at capacity. Departments such as the feed division and the baking subsidiaries have also had improved operations with Canada Bread paying an initial common dividend.

This company has been able to make progress in improving its working capital position.

The common shares must be considered somewhat speculative as ranking ahead of them are 91,997 shares of class A preferred stock on which dividends have accumulated from Dec. 1, 1938, at a 70c. annual rate. There is also a first mortgage bond issue amounting to $3.9 millions at July 31 last. No dividends can be paid on any shares and no purchase or redemption of class A shares made until outstanding bonds have been reduced to $3 millions, then only if net working capital would not thereafter be less than $2 millions.

Canadian Dredge

Has there been any improvement in the position of Canadian Dredge & Dock Co.? Does it appear that market values have discounted any changes?

Canadian Dredge & Dock Co. recently reported that the volume of business obtained in 1942 was quite large, reversing the unfavorable trend of 1940 and 1941. Last year some fairly large projects for the Dominion Government and for private corporations were undertaken, some completed during the year and others not to be finished until this summer. The company's dry dock at Kingston was busy, mainly on new construction undertaken for the Department of Naval Service.

Indicative of the improved position is payment of $1 a share dividend on May 1 this year, first payment since $1.50 a share was paid at the end of Jan., 1940. Net profits last year were equivalent to $1.15 a share compared with a $14,000 deficit in 1941. The company's shares are now quoted around $17 to $18 a share, a substantial appreciation from previous levels and discount a considerable degree of improvement.

Commercial Alcohols

As a subscriber of The Financial Post I would appreciate very much if you would let me have a report on Commercial Alcohols Ltd.

Operations and sales of Commercial Alcohols Ltd. have been on a better basis since the war started. Net profits available on the capital stock have ranged from $73,000 to $97,430, with earnings in the fiscal year ended March 31, 1942, totalling $90,111. The net income available on the common stock was equal to 35 cents a share, against this the company paid a dividend of 20 cents a share. Currently the company is paying a quarterly dividend of 5 cents a share and it would appear that it will be able to maintain this rate. Late last year a new plant to produce alcohol from wheat started operations, adding about 20% to the company's capacity.

Shawinigan

I have a little money to invest, but before doing so would like a report on Shawinigan Water & Power common stock.

Shawinigan Water & Power Co., one of the major power operators in Quebec, has recorded a considerable expansion in operations since the outbreak of war. Last year gross revenues reached the record figures of $24.2 millions, a gain of over $4 millions from 1941.

Because of higher taxation only part of the increase was carried through to net profit and share earnings totalled $1.16, as against $1.06 in 1941. The latter was more than sufficient to cover the dividend of 90 cents a share. Application of the excess profits tax on operations for all of 1943 will have the tendency to reduce the profits available for distribution on the common stock.

However, it is anticipated that the dividend will be covered and no change in the rate of distribution is expected. Financially the company's position is stronger now than it has been in many years, with net working capital at the end of last year amounting to over $2.3 millions.

TRAM OFFICIAL

Thomas D. Robertson, executive assistant, who has been appointed assistant secretary-treasurer of Montreal Tramways Co.

Trans-Canada Air

As a resident of the United States I would appreciate information as to whether shares of Trans-Canada Air Lines are on the market.

All the paid-up capital stock of Trans-Canada Air Lines is owned by the Canadian National Railway. The railway, in turn, is owned by the Dominion of Canada.

The Canadian National may not sell or dispose of more than 24,900 shares out of the 50,000 shares of $100 par outstanding, except with the approval of Parliament. Shares are not transferable except to such persons engaged or interested in aviation as are approved by the Minister of Transport.

No shares may be held by any person other than a British subject resident in Canada or corporation incorporated in Canada, and controlled by British subjects ordinarily resident in Canada. The Minister of Transport may at any time, with the approval of the Governor-in-Council, acquire all the shares at book value.

Moosewood Gold Mines has placed a contract for 3,000 ft. of informational diamond drilling, President N. B. McPherson states. Holes are now being spotted. Property is located in the Larder Lake area, adjacent to Amalgamated Larder.

Quebec Industrial Power Sales Up 16.8% this Year

Dollar Income of Operators in First Quarter Unchanged From Year Ago — Non-essential Power Use Limited

From Our Own Correspondent

MONTREAL. — Industrial power sales in Quebec in the first quarter of 1943 advanced 16.8% over the like period last year, according to figures released by the Quebec Public Service Board. Despite larger sales, dollar income of the operators was practically unchanged at $19.5 millions. This was due to two factors: transfer of power from higher grade to lower grade schedules and the change in the method of billing on some of the Shipshaw power.

Breakdown of the returns reveals that power output in the first three months this year was up 4.2%, while primary energy sold advanced 15.7%. The biggest gain was made in the industrial field, followed by transport, municipal and street lighting and domestic service. Commercial sales fell off 11.6% and wholesale sales to municipalities 5.7%.

Sales Up: Income Down

Particulars of revenue show a small increase in export sales, while those of domestic origin brought in a smaller revenue to the operators for the reasons mentioned. This was particularly so in the case of the industrial load. Domestic sales continue to show larger income, while revenue from commercial and other classifications ran behind last year with the exception of transport and wholesale to municipalities.

Three Months Ended March 31

PRODUCTION

	1943 kw.h.	1942 kw.h.	Change %
Total generation	5,342,603,508	5,124,970,877	+4.2
Total sales	5,087,166,545	4,714,093,083	+7.8
Primary sales in Quebec	3,848,125,339	3,326,280,277	+15.7
Export (primary)	1,155,452,194	1,229,591,751	—6.1
Secondary sales in Quebec	83,589,012	258,221,055	—67.6

PRIMARY ENERGY SOLD IN QUEBEC

Class of Service:	1943 kw.h.	1942 kw.h.	Change %
Domestic	93,028,178	89,490,417	+3.8
Commercial	77,545,582	87,861,822	—11.6
Industrial	3,565,715,427	3,046,954,295	+16.8
Municipal and street lighting	42,295,877	39,262,707	+7.7
Transport	57,429,071	49,957,353	+14.8
Wholesale to municipalities	12,111,204	12,753,683	—5.7
Total	3,848,125,339	3,326,280,277	+15.7

REVENUES FROM SALES IN QUEBEC

	1943	1942	Change %
Domestic	$2,645,168	$2,529,292	+4.4
Commercial	2,028,606	2,296,704	—11.6
Industrial (primary & secondary)	10,621,708	10,747,521	—1.2
Municipal and street lighting	462,479	459,162	+0.7
Transport	377,307	351,041	+7.3
Wholesale to municipalities	97,109	105,886	—8.2
Total	$16,232,377	$16,489,606	—1.4

REVENUES FROM EXPORT SALES

	1943	1942	Change %
Primary energy	$3,242,404	$3,227,828	+0.4

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

ASCORBIC ACID. M & S order CC 21, April 6, freezes stocks of ascorbic acid. Con. of Chemicals, E. T. Sterne.

* * *

THIAMIN HYDROCHLORIDE. M & S order CC 23, May 11, freezes stocks of thiamin hydrochloride. Con. of Chemicals, E. T. Sterne.

* * *

CITRIC ACID. M & S order CC 22, May 11, freezes stocks of citric acid. Con. of Chemicals, E. T. Sterne.

* * *

PHENOL. M & S order CC 24, May 19, freezes stocks of phenol and of homologues of phenol. Con. of Chemicals E. T. Sterne.

* * *

COAL TAR. M & S order CC 9-A, May 19, forbids disposal of coal tar or use in quantities greater than 40 gallons monthly, making exception of coal tar produced in British Columbia. Con. of Chemicals, E. T. Sterne.

* * *

QUININE. M & S order CC 15-A, May 19, orders that quinine may be used in the making of quinine compounds only under permit and that quinine may be sold to a consumer only for use as an anti-malarial agent; and quinidine sulphate only upon certification of a physician that it is for use in treatment of auricular flutter or auricular fibrilation. Con. of Chemicals, E. T. Sterne.

* * *

TYPEWRITER RIBBONS, CARBON. WPTB order A-735, May 24, restricts manufacture of typewriter ribbons and carbon paper. Adm. of Office Machinery, F. S. Kaszas.

* * *

WIRE SCREEN CLOTH. WPTB order A-736, May 24, amends previous orders regarding manufacture of wire screen cloth, setting maximum allowable production in the year beginning June 1, 1943, at 80% of tonnage produced in the previous year. Adm. of Fabricated Steel and Non-Ferrous Metals, H. H. Foreman.

* * *

FLOOR FINISHING MACHINES. WPTB order A-737, May 24, restricts manufacture and sale of floor finishing and maintenance machines. Adm. of Plant, Steam Railway and Shipbuilding Machinery, Hugh Crombie.

* * *

CASHIER PADS. WPTB order A-739, May 24, restricts manufacture of cashier pads. Adm. of Packages and Converted Paper Products, C. V. Hodder.

* * *

COUNTER CHECK BOOKS. WPTB order A-738, May 24, restricts manufacture of counter check books. Adm. of Packages and Converted Paper Products, C. V. Hodder.

* * *

TINTED RESTAURANT PADS. WPTB order A-740, May 24, restricts manufacture of tinted restaurant pads. Adm. of Packages and Converted Paper Products, C. V. Hodder.

* * *

ANTI-FREEZE. M & S order CC 25, June 1, freezes manufacture of anti-freeze. Con. of Chemicals, E. T. Sterne.

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CHANGING TIMES . . .

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THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, June 5, 1943

Newfoundland Lays Plans For Broader Economic Future

People of North America's Eastward Bastion, Though They Know Outside Capital Must Necessarily Play a Vital Part in Their Island's Development, Also Know That the Future Lies in Their Own Hands

Operations maps highlight the strategic importance of Newfoundland

By ROBERT C. STARK

Lord Beaverbrook highlighted the strategy of anti-submarine warfare when, a few weeks ago, he called the struggle the United Nations are waging against the U-boats the "Battle of Newfoundland."

Out of frowning Newfoundland harbors are gliding fast fighting ships; grim grey corvettes, destroyers, big battlewagons, all pledged to protect the bridge of ships across to Britain.

From sprawling Newfoundland airfields and into skies that echo with their thunder go steady streams of planes; some on patrol, hundreds bound for battle overseas.

Along the rugged, jagged Newfoundland coastline stand troops, American, Canadian, and Newfoundland; manning great coastal guns, scanning the rolling Atlantic for signs of the prowling enemy.

As the war has progressed, the importance of this Island has grown. Guarding the water route to the heart of industrial Canada, the wartime role of Newfoundland was first seen as primarily defensive. When the tide of battle was sweeping against us it stood as our Atlantic bulwark, a sentinel to guard against an invader.

From those fear-ridden days there has been a great change in the strategic place of Newfoundland. It still occupies a defensive role, that of helping guard the sea lanes, of succoring sub-damaged shipping. But the psychology that invests this Island has changed from defense to attack.

Newfoundland harbors may be jammed with shipping one day, cleaned out the next as great convoys move out to push across the Atlantic. Great clouds of bombers and fighters arrive from their Canadian and American factories, light briefly on the Island or on tremendous new air bases up in Labrador, take off for Britain and for action.

Newfoundland no longer is our first line of defense. It is a way station for victory.

Broadening Viewpoint

At the same time as there has been a far-reaching change in the wartime strategic role of Newfoundland there has been a more subtle but just as important change in the islanders' way of thinking about their future. There has been a steady broadening of viewpoint, a steadily increasing confidence in their own strength.

Only a year ago it would have been fair to say that most of those who held high hopes for Newfoundland's future, banked those hopes on what outsiders could do. The theme was this: the governments of Canada and the United States are spending millions of dollars here to establish important army, navy and air bases; when the war ends it's a practical certainty that these countries are not going to forget about their wartime investment. Probabilities are that both Canada and the United States are going to continue taking a deep interest in the affairs of Newfoundland, that they will want to keep it economically strong so that it may be first, a defensive bastion, and secondly, a new field for business development.

The basis for that psychology, of course, still remains. There are still plenty of reasons to believe that the war has brought Newfoundland much closer to the Canadian-American economic orbit, that the war-renewed interest in the Island's importance will not be quickly forgotten. However, these expectations have broadened so that Newfoundland today is feeling its own economic muscles. It is still realized that outside capital will necessarily have a vital part to play in the island's development, but Newfoundlanders know that a great part of their future must be within their own hands, that the job of establishing the Island on a sounder basis is primarily up to themselves.

Developing Business

Important strides in this direction have already been made. Forward-looking Newfoundland businessmen are determined that the last depression's spectre of 80,000 people on relief out of the Island's population of some 300,000 shall not be repeated. In co-operation with the Commission of Government many of these men have formed the Newfoundland Industrial Development Board, a co-operative, non-profit organization designed to encourage industrial, commercial and economic development and the creation of new industries and expansion of existing ones.

This board has been set up for a trial period of five years on a tentative budget of $25,000 a year, half to come from the government, half from supporting business interests. War conditions have slowed initial progress—machines and materials are hard to get, shipping space is desperately short. Despite these war-created difficulties the board has gone on for several important reasons:

First, many Newfoundlanders feel they could be doing more from the industrial standpoint to speed the war effort. Second, some provision must be made for the large number of people who may be thrown out of work at the cessation of hostilities. Third, the policy of the board is based on long-range planning; short term developments should not be allowed to block the ultimate objective.

Primary Economy

The Newfoundland economy still depends heavily on primary produce. It processes its timber wealth into paper but its other principal natural resources such as the fisheries and mines are exported from processing elsewhere. This relatively light accent on manufacturing, therefore, has meant that Newfoundland does not have the facilities on hand for heavy industry. For the time being, at least, it appears likely that more emphasis will be placed on the extension of light industry.

One of the first moves made toward broadening the Island's industrial economy in this new program has a direct war connection. The manufacturing facilities of the Island's two paper companies have been made available to the Canadian armed forces, with the Navy to find these particularly useful. It is stated that the machine shops of the paper companies are capable of turning out many parts for corvettes, minesweepers and cargo vessels, including engine parts, cargo winches, valves, pumps, condensers, etc. Such items as complete jigs for two types of naval gun mountings, jigs for anti-aircraft guns and gun mountings, parts for naval gun mountings, gauges and other special items are said to be well within the scope of these facilities.

Concentrated efforts are also being made to diversify further the products of the two paper mills with output of paper bags, wallboard, plywood and other items being most prominently in mind.

Rich Timber Resources

The Island's timber resources are expected to provide many new avenues for expansion. One particular instance is the investigation now being carried out toward making fuselage parts for Mosquito bombers from yellow birch. Newfoundland's ready wealth of wood and experience in small boat building is felt by islanders to be of direct value to the war effort in making small boats, pontoons, and floats.

Newfoundland's other big industry, the fishery, is also coming in for considerable study from the standpoint of postwar development. It is realized that heavy dependence on old-fashioned cod fishing methods will not be good enough for the Island after the war. Stress is being laid on development of new methods, quick-freezing and canning. Modernization and centralization of facilities planned for the postwar days allow not only an up-to-date fishery but also make for lower costs which should improve the industry's competitive position in world markets.

Diversification of output is also one of the thoughts being kept prominently in mind so far as the fisheries are concerned. While, up to now, the Newfoundland fishery has been synonymous with the cod catch, the waters around the island abound in many other types of highly marketable fish—herring, for instance, while the streams are a salmon fisherman's paradise.

In the mining field, particular efforts are being devoted now to development of the Island's copper and molybdenite deposits, two valuable war materials.

The board's intensive study of Newfoundland's industrial possibilities has uncovered many other interesting enterprises. Further efforts are being expended toward developing a creosote plant, a brick tile and clay products development and a bottle and glass-making operation.

Seek Representation

To keep in touch with possible openings for Newfoundland enterprise, representatives of the board have visited production centres in Canada and the United States. These visits have not only given the representatives some new ideas on what type of work may be done in Newfoundland but have also aroused interest among Canadians and Americans on the industrial possibilities of the Island.

One point on which Newfoundlanders feel rather strongly is that they should have a continuing representation in Ottawa and Washington. Under the present system of government no such official representation is possible, as all Newfoundland governmetal affairs must be cleared through the Dominions Office in London.

It is felt by many Newfoundland businessmen who are interested in expanding trade relations with Canada and the U. S. that official representation, as such, is not necessary but rather that there should be a qualified person thoroughly familiar with Newfoundland affairs to maintain a close contact with Ottawa and Washington. Such a person would have the backing of the government but not necessarily ministerial or diplomatic status. Supporters of this policy point out that Canada has a high commissioner and a trade representative resident in St. John's but that Newfoundland is unable to return that contact.

Business Machinery

The Industrial Development Board is providing machinery long lacking in Newfoundland life. That is, a provision of some adequate idea of the Island's industrial capabilities. Business development has been hampered up to now by a lack of statistical facilities along with a lack of a centralized effort to channel most effectively the Island's potentialities. For the first time it is possible for outside business interests to get at least a fairly adequate idea of just what markets are available in Newfoundland and what the Island can produce.

Postwar Reserve

The Commission of Government has recognized the importance of postwar planning and is earmarking surplus revenues for this purpose. After running a long string of deficits, Newfoundland since the start of the war has got its governmental operations back into the black, due to the tremendously increased business activity, with accumulated surplus so far being around $11.2 millions. Much of this surplus has been loaned interest free to the United Kingdom for war purposes, returnable on demand by Newfoundland.

A prominent question has been, why has Newfoundland not used this surplus revenue to encourage a broadening of its economy now, rather than tie it up indefinitely in Britain? There appear to be several answers to this question.

Newfoundland's system of government provides one answer: The Commission of Government is appointed through the Dominions Office, the islanders have no voice in making those appointments. This type of government is recognized as temporary, and the view liable to be taken by the present governing heads is that they are merely holding the Island in trust until conditions are such that Newfoundland can return to a more representative type of government. This psychology obviously will not breed initiative to further the industrial development of the Island.

Limiting Conditions

There are other solid reasons. Newfoundland has virtually had to go from a standing start. Framework for industrial development is sparse; the Island has had to put behind it long years of deadening depression and recast its entire concept of its place in the world. This revolutionary change in thought has necessarily taken some time to develop again, before new industries could be started many factors have had to be weighed, such as the comparatively limited domestic market that Newfoundland offers with its population of only some 300,000, competition from Canada and United States producers, the fact that capital on the Island is not large.

Along with planning for postwar development, Newfoundland businessmen have a more current worry in the fact that they are unable to obtain war risk insurance for their buildings. The exposed location of the city and the type of construction in the capital city of St. John's, the Island's dominant business centre, makes it fairly vulnerable to war damage. It is pointed out that despite the acknowledged importance of maintaining the city's facilities, it is impossible to get war risk insurance. Newfoundland companies are too small to carry the load while attempts to have the Island brought under some scheme of coverage with Canada, the United States or the United Kingdom have all failed. The Island's businessmen declare that they will pay the rates asked and that their strategic position necessitates some form of coverage.

Rightly or wrongly, this condition has rubbed some Newfoundlanders the wrong way in connection with relations with Canada and the U. S. Another disturbance on the same theme has been the alleged rowdiness of some members of the Canadian armed forces, particularly of the Navy, in St. John's.

Looking to the future, one of the first desires of many, if not most Newfoundlanders is for a different type of government. This long-simmering want was brought to a head this spring when the Newfoundland Board of Trade forwarded to the Dominions Office in London recommendation for the appointment of a Royal Commission to consider a new constitution for Newfoundland.

Touch-off to this recommendation was a measure by the Commissioner for Finance which provided for higher tax rates retroactive on 1942 income. The move was designed by the government to increase the funds available for postwar projects. However, many interests throughout the Island objected very strenuously to the degree that the new levies were made retroactive.

The official view of Newfoundland's governmental position, as expressed by Hon. Clement Atlee, Secretary of Dominion Affairs, is that the Island is a Dominion with its constitution in suspense.

How long that suspense is likely to be maintained is a question to which many islanders would like the answer.

There is a large section of opinion within Newfoundland which feels that the transition to self government should not be made in one jump.

Opinions vary as to how this gradual transition should be made. Some would be satisfied, at least for the time being, to have the six-man Commission, of Government made entirely Newfoundlander in personnel, instead of half Newfoundlander, half British as at present. Others feel that there should be an elected assembly to act in an advisory capacity to the Commission. It is felt that this latter plan would allow Newfoundland to re-establish at least the framework for parliamentary government, something that is presently lacking. Other islanders maintain that Newfoundland is quite ready for a return to a system of full self government.

It appears that the whole problem of Newfoundland's return to Dominion status must be closely linked with efforts to broaden the Island's economy and increase its industrialization. Before the Commission of Government was appointed in 1934 Newfoundland ran into such a burden of debt that it had to ask the United Kingdom for assistance.

The establishment of great Canadian and American bases on the Island have meant the expenditure of millions of dollars there; business has boomed and many Newfoundlanders have made more money than ever before. However, so far as this war-inspired activity is concerned there are already signs for those who would observe. The tremendous drive of initial establishment of these bases is already on the wane as work approaches completion. An increasing employment problem is expected to be faced over the next year.

The war has brought considerable prosperity to Newfoundland, but so far it has created little of lasting economic value. The object of current efforts is to convert at least part of this temporary prosperity into something of more permanent benefit.

The problems confronting the Island for the postwar days are considerable; they will require a cool, studied approach.

Postwar Problems

One of the first problems will be necessary assurance that service can be maintained on the $100 millions debt burden. This was one of the leading factors that forced Newfoundland to drop its Dominion status; it still remains to be solved. Another point of considerable importance is that many Newfoundlanders during the past couple of years have enjoyed a considerably higher standard of living than before the war. They will not want to return to pre-war conditions of depression and dole.

Despite the rather awesome size of the problems which can be seen lying ahead it would be a highly questionable viewpoint that would hold that they cannot be surmounted by the Island and its people. While there are debits on this balance sheet, there are also many credits.

Most concrete asset is the work that is already being done, notably by the Newfoundland Industrial Development Board, toward evening up the Island's one-sided economy. In the past, Newfoundland's prosperity has varied in direct ratio to conditions in the cod fishery.

There is the important reawakening of international interest in the Island. Canada and the United States are both paying considerably more attention to Newfoundland than in the past, and it is reasonable to expect that this helpful attention will carry through on some kind of permanent basis. By the same token, Newfoundland has lost a great deal of its insularity. Through a closer rubbing of shoulders with its neighbors the Island has awakened to the point where it is now, perhaps more than ever before, looking beyond the horizons.

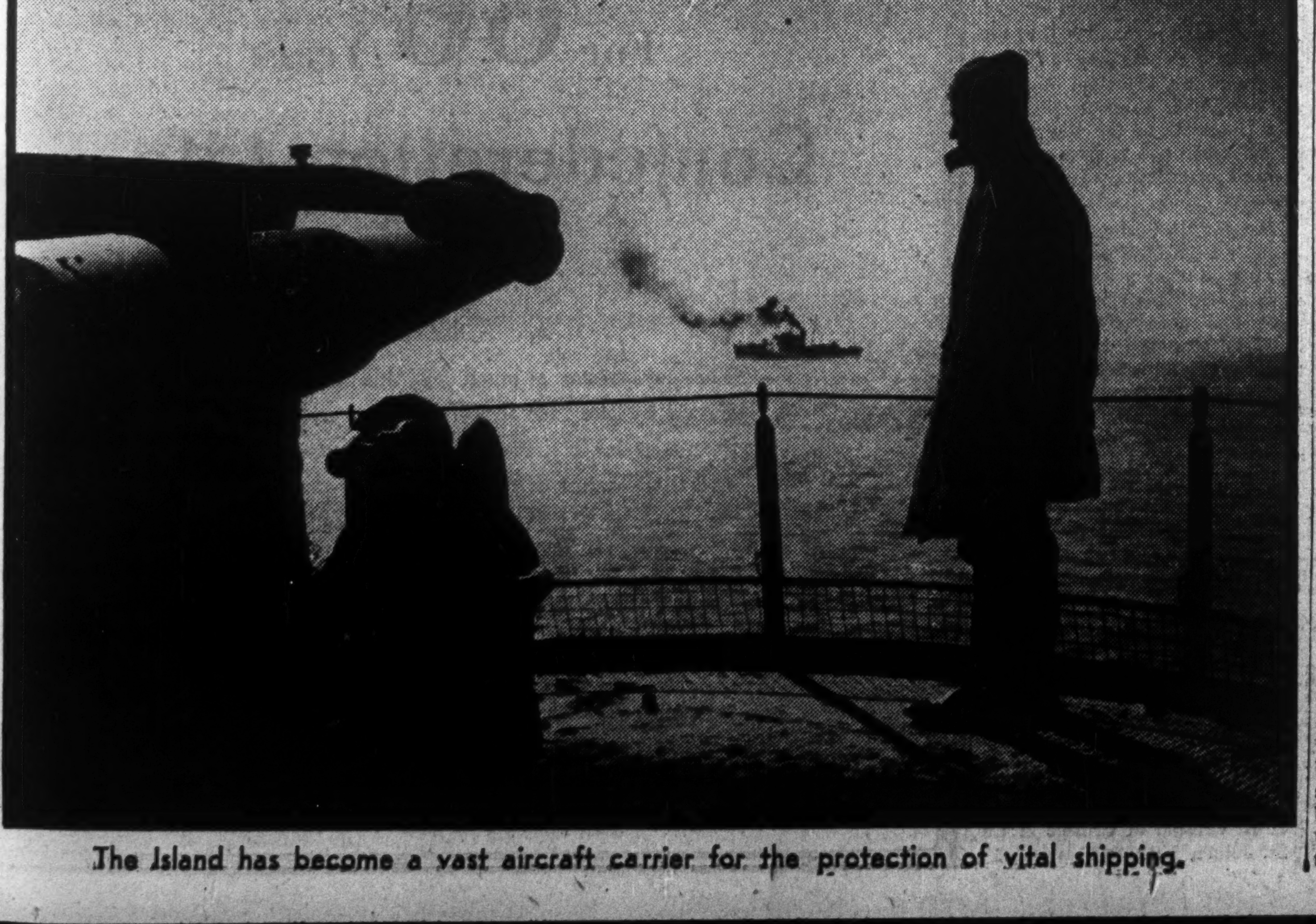
New Air Bases

Another vital international point is the establishment of air bases on the Island and in Labrador. These bases have proved themselves an essential link in wartime ocean transport; they should continue to play a large part in peacetime traffic. Establishment of regular air service into Newfoundland by Trans-Canada Air Lines has cut travelling time from days to hours, speeded the Island's commercial life.

What may be the greatest factor of all for optimism as Newfoundlanders look to the future, is the new-found faith that the islanders have in themselves. They recognize that the way ahead will not be easy, that they cannot afford to make the same mistakes that were made last time. Knowing these things, the people of Newfoundland today are facing the problems that lie ahead with a strong belief that those problems can be licked. There is less thought now of confederation with Canada or union with the United States, more faith in Newfoundland itself. While much of Newfoundland's future will probably be closely linked with its two nearest neighbors, the tempo for that development must be set from within the country itself.

On this Island there is a driving desire to achieve for itself and to prove to the world that it has a fully democratic governmental system, deserving its place in international councils.

"Today, the people of Newfoundland are looking to the future with plenty of optimism. Perhaps the biggest reason for this optimism is their new-found faith in themselves. They recognize that the way ahead will not be easy, that they cannot afford to make the same mistakes that were made last time. Knowing these things, Newfoundlanders are facing the problems that lie ahead with a strong belief that those problems can be licked. There is less thought now of confederation with Canada or union with the United States, more faith in Newfoundland itself. While, much of Newfoundland's future will probably be closely linked with its two nearest neighbors, the tempo for that development must be set from within the country itself."



The Island has become a vast aircraft carrier for the protection of vital shipping.

Finance

Finances Have Postwar Aim

Active Business Brings Surplus Position

On the financial front Newfoundland has taken some definite steps toward meeting the stresses that probably will have to be met in the postwar days. Active business conditions along with higher tax rates have meant a materially improved financial position for the Government. The resulting surpluses are being conserved for postwar purposes.

War conditions for Newfoundland have meant unprecedented prosperity. This followed a long period of years during which the island could not meet its expenditures by a fairly substantial margin. The unbalanced financial position of the island was further seriously affected by the 1929 depression and the country went deeper into debt. In 1934, 65% of the total revenue of Newfoundland was required to service the national debt. In the same year the Commission of Government was formed to take over the Government of Newfoundland, with this system still functioning.

War Brings Surplus

Under the Commission of Government, deficits continued to be encountered until the fiscal year 1940-41 when a surplus of $365,804 was reported. In 1941-42 a record surplus of $7.2 millions was piled up. The fiscal year-end was then changed from June 30 to March 31 and in the nine months ended March 31, 1943, the island had a surplus of slightly under $3.7 millions. Estimates for the fiscal year ending March 31, 1944, are for a surplus of $1.7 millions.

The much improved state of Newfoundland finances are due very largely to the business activity created by the establishment of large defense bases on the island by the United States and Canadian Governments. This construction work has meant the expenditure of many millions of dollars on the island and provision of steady employment for thousands of Newfoundlanders at rates of pay higher than some of them had ever previously known. The vast stimulation of purchasing power has meant a virtual trade boom.

Import 90%

This in turn has had a very direct reflection in Government revenues as approximately 90% of the goods consumed within Newfoundland must be imported and virtually everything is subject to a customs duty upon importation. Around two thirds of Government revenue is made up by customs duties.

This heavy dependence upon a source of income which could be seriously affected by conditions beyond the control of Newfoundland has made particularly difficult the Government's task of accurately budgeting for the year ahead.

There are already some good indications that revenues of the Newfoundland Government have passed their peak, at least for the time being. Newfoundland must necessarily share in the decreased supply of consumer goods now available in Canada and the United States. This condition, coupled with transportation difficulties, can be reasonably expected to result in a reduction in the island's imports with a consequent decline in customs duty revenues to the Government.

Booming business conditions have been reflected in substantial surpluses for Newfoundland's Commission of Government. Some of these funds are presently being used to help the United Kingdom, all will be available for postwar purposes. Outlook for 1943 is for reduced government revenues as declining base construction work, coupled with a tight supply situation will probably cut imports upon which revenues heavily depend due to a broad system of customs duties.

Budgets for Decline

The Government has taken this into account in making its estimates for the current fiscal year. For the year ending March 31, 1944, the budget estimates revenue from the Department of Customs at $14,176,500 which compares with an actual revenue of $14,562,549 in the nine months ended March 31, 1943.

The decline in revenue from this source due to the supply and transportation situation seems likely to be intensified by the anticipated reduction in construction activities as the defense bases become more nearly completed. This latter condition may mean a shift of a fair number of base camp workers to other lines of employment which may pay them less.

Newfoundlanders individually have taken advantage of their increased prosperity to establish nest eggs in the form of savings accounts and investment in Government war loans. At the end of 1942 savings deposits in Newfoundland banks amounted to $39¼ millions compared with $24¾ millions in 1940. Subscriptions to war saving certificates have steadily mounted while a $1.5 million Victory Loan offered in November was quickly oversubscribed. This bond issue carried an interest coupon of 3¼%, was priced at par and will mature Dec. 1, 1957. Proceeds will be used by the Government toward the redemption on July 1, 1943, of the outstanding balance of £377,890 of a 5% issue, and will make available to the United Kingdom further dollars for the prosecution of the war.

Loans to U. K.

Surplus accumulated by the Government during the last three fiscal years amounts to $11,263,000. Out of that sum it has made temporary loans free of interest to the United Kingdom of $6.5 million. These temporary loans will be repaid when Newfoundland needs them. They might conceivably be used at the time of repayment for the service of Newfoundland's sterling debt for which the island has to provide over $3.3 millions annually at the present rate of exchange.

Newfoundland has also made advances, of which the balance outstanding on March 31, 1943, was $2.4 millions, to finance accounts which it operates, on a recoverable basis, on behalf of the United Kingdom. These accounts relate to such transactions as the payment of allotments to the families of Newfoundlanders in the Army and Navy, along with some $1.8 million paid as compensation to former owners of property in the areas leased to the United States. The United Kingdom has undertaken responsibility for the repayment to Newfoundland of these awards.

To strengthen its postwar financial position further the Newfoundland Government in March announced increases in both personal and corporation taxes effective on 1942 income which would yield an additional $740,000. The fact that these increased levies were made retroactive on 1942 income aroused considerable outcry from business and other interests of the island. These interests felt that so long as the Government was accumulating respectable surpluses there was no necessity for making the increased tax rates retroactive. Dissatisfaction with this measure was one of the prime factors in formulating the request for a Royal Commission to investigate Newfoundland's system of government.

Oppose Taxes

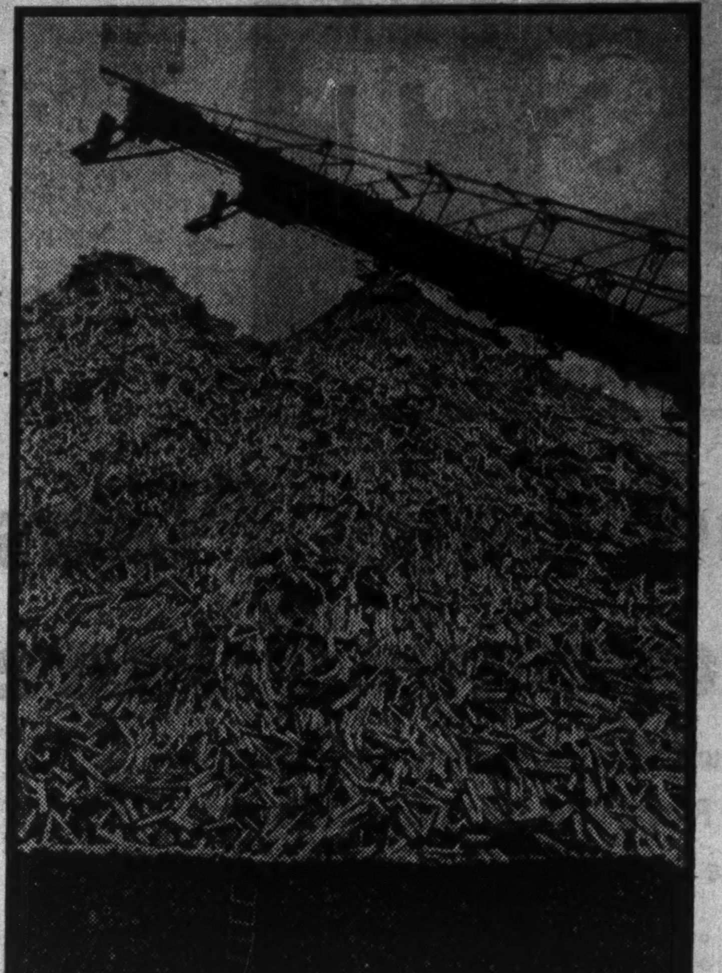
Those who oppose the tax measure pointed out that a large number of Newfoundland firms enjoyed their first profit for many years in 1942. This profit would enable them to make up some of the ground lost in the poor business years preceding, but the new tax move tended to hinder seriously these efforts toward capital rehabilitation.

The Government has adopted the attitude that it is the established practice in Newfoundland and in other countries to base on the earnings of a previous year the income tax which is payable in a succeeding year, the former being used merely as a measure for purpose of assessment. Official expectation is that the Government, at the end of the war, will be called upon to provide capital assistance for new industrial developments and that the present accumulated surplus of a little over $11 millions will not go far in this regard.

Postwar Plans

Hon. Ira Wild, Commissioner of Finance, has stated that the Government would like to build new roads and improve existing roads, to widen the scope of education and to secure better training for Newfoundland teachers and to generally improve social and health services. On this basis, the outlook for the postwar years is for an increased level of expenditures.

This would seem not only to point up the necessity for establishing as large a postwar fund as possible but also for broadening the island's economic base so that its level of revenue would at least keep pace with the anticipated expansion in expenditures.



Of great and growing significance to the diversification of Newfoundland's economy are her big pulp and paper mills. This stack of pulpwood is at the Bowaters Mill.

Bay of Islands Area Playing Big Role

Already occupying an important place in the business life of Newfoundland, the Bay of Islands region promises to play an increasingly important role in greater industrialization of the island in the postwar period.

The industry that is already located in this district provides an important starting point for efforts that are being made toward further broadening the Newfoundland economy. Here are to be found both of the island's great newsprint companies—Bowater's and Anglo-Newfoundland. Both of these companies are actively searching for new products that will be within their range of manufacture and there is evidence that progress in this direction is being made. The facilities of these companies have also proved of considerable value for naval work.

Postwar Plan Base

Many of the plans that are now being formulated for postwar work are based on industry of the Bay of Islands. Obviously the way toward the desired objective of increased manufacturing activity on the island would be made easier if advantage is taken of the facilities already available, rather than starting from scratch.

An important factor in that projected development above and beyond the physical facilities is the progressive attitude of the businessmen of the district. This attitude is reflected by the Bay of Islands Businessmen's Association, an aggressive organization pledged to foster the increase of business activity in their district. Membership of the association comprises around 90% of the businessmen of the Bay of Islands region, whose principal object is to co-operate in promoting the best interests of the Bay of Islands region and to raise and improve standards of business conduct.

Many of the businessmen of this district have been resident there for a good many years. They have seen recurring periods of depression and prosperity bring precarious existence to trade and commerce of the district. Establishment of the two newsprint mills brought a considerably greater degree of stability to the district's business life and recently there has been increasing interest in the area from the standpoint of further business development.

New Fish Plant

A recent instance of this trend is establishment of a new fish reduction plant. Newfoundland Dehydrating Process Co. is close to a bountiful supply of herring and is producing herring oil and fish meal. Control of the company is held by John Ryan of the Dehydrating Process Co., Boston, and C. A. Crosbie of Crosbie & Co., St. John's, Nfld.

Using modern equipment, this plant within the space of a few hours converts herring as they come from the fishermen's nets into herring oil, the base of many commercial products, and fish meal, a valuable food for cattle and poultry. Development of this branch of the fishing industry is expected to mean a considerable rejuvenation of the herring fishery which has tended to languish recently owing to comparatively poor markets for the fish.

Along with its industries, which employ around 8,000 workers, the Bay of Islands area is classed among the most beautiful spots of Newfoundland, and is expected to draw increasing attention as a location for summer residence. The great Humber River here provides some of the finest salmon fishing to be had on the island.

The area offers a happy combination of circumstances that augurs well for its future development so that it will continue to bolster the island's industrial life.

Newfoundland Finances General Summary

	Estimated July 1, 1942 to June 30, '43 (12 months)	Estimated July 1, 1942 to Mar. 31, '43 (9 months)	Receipts and Expenditure July 1, 1942 to Mar. 31, '43 (9 months)
Ordinary Expenditure:			
Consolidated Fund Services	$3,842,100	$1,632,400	$1,659,974
Supply Services	12,247,200	9,722,600	12,994,096
Total	16,089,300	11,355,000	14,654,070
Current Revenue	18,744,100	13,647,400	19,514,448
Excess of Revenue over Ordinary Expenditure	2,654,800	2,292,400	4,860,378
Reconstruction Expenditure	1,633,000	1,443,900	1,178,728
Total Surplus	1,021,800	848,500	3,681,650
CURRENT REVENUE			
Customs	12,805,000	10,158,600	14,462,549
Assessor of Taxes	2,778,100	1,267,300	2,552,077
Posts and Telegraphs	1,193,300	826,300	1,077,353
Board of Liquor Control	710,000	532,500	758,020
Public Works	274,800	58,300	105,422
Natural Resources	376,100	331,500	190,392
Recoveries from Loan Advances	161,400	137,100	636
Finance	159,000	117,000	184,714
Public Health and Welfare	185,000	138,100	95,340
Education	27,000	25,000	27,517
Justice	21,500	16,100	25,843
Home Affairs	2,200	1,600	2,059
Defense	50,700	38,000	32.526
	18,744,100	13,647,400	19,514,448
HEADS OF EXPENDITURE			
Ordinary:			
Public Debt	3,641,200	1,452,500	1,480,267
Salaries under Statute	45,000	33,800	33,753
Principal and Interest on Loans	76,900	67,100	67,023
Principal on Dominions Office Loans	79,000	79,000	78,931
	3,842,100	1,632,400	1,659,974
Finance	488,700	364,400	1,334,516
Customs	300,500	225,500	273,475
Posts and Telegraphs	986,800	742,100	1,020,809
Office of Assessor	31,900	26,100	25,638
Home Affairs	58,900	44,200	40,722
Education	1,792,000	1,563,100	1,691,164
Justice	809,100	607,900	647,397
Defense	892,000	717,900	1,625,701
Natural Resources	1,660,400	1,313,200	1,604,578
Public Works	2,067,900	1,672,600	2,422,679
Public Health and Welfare	3,073,300	2,381,300	2,237,930
Liquor Control	85,700	64,300	69,487
Total, Ordinary Expenditure	16,089,300	11,355,000	12,994,096
Reconstruction:			
Education	300,000	250,000	196,038
Natural Resources	410,300	328,900	288,480
Public Works	674,500	638,300	563,540
Public Health and Welfare	248,200	226,700	130,670
Total, Reconstruction Expenditure	1,633,000	1,443,900	1,178,728
Total Expenditure	17,722,300	12,798,900	15,832,798

REVENUE AND EXPENDITURE

	1942 Ten Months	1943 Ended April
Revenue		
Customs	$1,357,914	$1,061,799
Posts and Telegraphs	79,971	112,028
Assessor of Taxes	864,127	1,465,943
Natural Resources	8,973	17,469
Other Revenue	159,455	123,774
Total	2,470,440	2,781,013
Expenditure		
General	876,024	1,172,738
Interest and other Debt Charges	....	....
	$ 876,024	$1,172,738

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Fishing Industry

Diversification of Fish Output Planned

Modernization Will Boost Postwar Production

Diversification of output will be the deciding factor in the success or failure of Newfoundland's fishing industry to key itself to postwar world economics.

This is the opinion of R. Gushue, chairman of the Newfoundland Fisheries Board, who believes that, for a period of two or three years after the end of the war, salt codfish markets will remain strong, but will eventually not be sufficient to carry the entire trade.

In Newfoundland the emphasis on salt codfish is traditional; from generation to generation virtually the same methods and techniques have been followed. Cod fishery is still the mainstay of the island, but today world markets are changing.

In the initial postwar period, good possibilities are seen in trade to the Mediterranean area. The policy of the Fisheries Board in pre-war years allowed for shipment of roughly 50% of total production to this area. It was considered that should less be sent, the year would prove generally poor from the viewpoint of marketing.

More Freezing

However, a promising future for the industry, it is claimed, lies in the eventual expansion of frozen fish output. It is believed that demand is capable of being expanded to many times its present size. Fresh and frozen fish consumption was originally limited to small areas, surrounding such ports as Boston, New York and Gloucester. With the spread of electrical services, particularly refrigeration, markets for the industry will push constantly farther west.

Production, processing and distribution of frozen fish products have been studied intensively by the Fisheries Board over the past several years. Arrangements for a quick changeover, once certain necessary equipment is obtained, have been completed. Equipment will not, of course, be available until the end of the war.

With a frozen fish industry opportunity will come for further diversification, such as smoked fish products and utilization of waste. Newfoundland has been prevented up till now from producing fish meal by the fact that fisheries are scattered over thousands of miles of coast, and operated in small village communities. Since it takes five tons of material to make one ton of meal, the difficulty of transport has been a serious deterrent.

Planned modernization of the fishing industry will bring about centralization, facilitating the utilization of waste as well as bringing in added revenue.

Meets Problems

Despite the difficulties of wartime operation, the fishing industry in 1942 was able to meet its problems with considerable resourcefulness. This was in part due to the board organizations which made close liaison between Government and trade possible.

Activities on the Grand Banks, close to the island, were at a low ebb most of the year, the majority of the fleet finding the temporary demand for coastwise carriers more attractive than the uncertainties of fishery.

In Bank fishing, a strong cable is paid out for between eight and ten thousand feet. The cables carry thousands of hooks, and are hauled up by men in dories who remove the fish and rebait the line. In 1942 this area contributed only 62,000 quintals (a quintal equals 112 pounds) to the season's catch, compared with 158,096 in the previous year.

Total codfish catch in Newfoundland in the year was 703,456 quintals, down sharply from 830,758 in 1941 and 875,494 quintals caught in all types of cod fishing in 1940.

A major factor in the lower output was the fact that many fishermen turned to defense work during the year. With such work now slowing the return of many Newfoundlanders to the fisheries can be expected.

Fishing is Newfoundland's main industry. In wartime many potential markets are cut off, but plans have been drafted for a quick change-over, once essential machinery can be obtained, to a modern, centralized system in the postwar period, with refrigeration as its keynote. Diversification, it is claimed, will bring new vitality to the industry, on which virtually the whole of Newfoundland's economic prosperity depends.

Varied Returns

The two other types of cod fishing carried out in Newfoundland, shore fishing and operations in Labrador waters, made good showings in some parts and poor in others.

Shore fishing is largely a family venture. It is carried out close to the shore in small boats, and its success or failure depends on how well the fish are running in shallower waters. The total catch in 1942 was approximately 450,000 quintals as against 494,000 in the previous year.

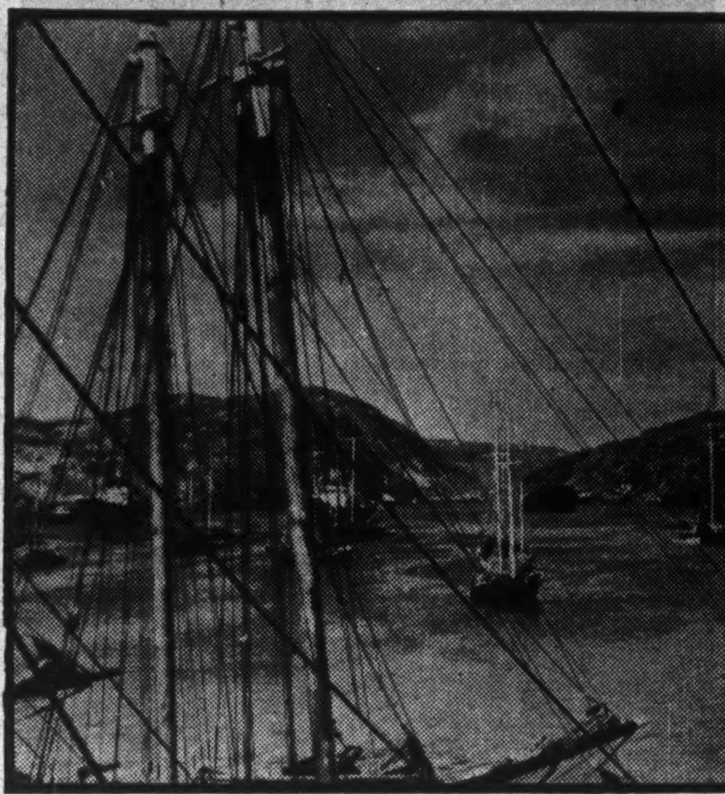
Somewhat similar conditions prevail in Labrador fishing as in Bank fishing, with motor boats replacing dories and specially shaped nets — cod traps — used instead of trawls. The total catch was 220,000 quintals, as against some 177,000 quintals in 1941.

The shorter catch, however, was not the only difficulty with which the trade had to contend in 1942. Marketing under wartime conditions also presented various hazards. Almost all of the 1941 catch was contracted for by the spring of 1942, but substantial quantities sold for delivery at the end of June could not, due to shipping conditions, be forwarded. After a delay of nearly six months the fish in question had deteriorated and were eventually sold at substantially lower prices. By November the shipping situation was well in hand, however.

Chief Markets

Chief markets for Newfoundland codfish are Portugal, the United Kingdom, the West Indies, Puerto Rico and Brazil. During the war shipment and supply to these countries has been handicapped.

Norway and Iceland, formerly competing fisheries, are now out of the picture. But prices for salt cod have risen; it is a question how much salt codfish present markets will be able to afford. It is primarily a poor man's food and costs of production have in recent years shown an upward trend. It has been feared in some quarters that if markets were lost for this reason they might prove difficult or impossible to regain. Thus efforts to switch to diversified output and especially to frozen fish production have taken on an added importance.



Newfoundland's fishing fleet remains one of the mainstays of her economy despite the fact that enlistments and war work have greatly reduced the numbers of men available to man the vessels.

Portuguese sales were lower in 1942, but this is understood to have been due to the short catch rather than lack of demand. Demand still continues good. A new co-operative marketing group for sales to Spain was created in the year. This accelerated export not only to Spain but to Portugal and also effected a considerable saving in bookkeeping and marketing costs.

Large sales of salt cod were made to the United Kingdom, but at prices lower than those generally prevailing in other markets.

In the West Indies a transport problem has been worked out to allow supply of a periodic amount of codfish to the islands.

A similar transportation problem also affected shipment to Puerto Rico, but solution was found more difficult. A large amount of fish was contracted for but, failing passage, it was found necessary several months later to dispose of it elsewhere. However, arrangements were finally made in November, 1942, with a trade organization, Puerto Rico Exporters, Ltd., and shipments since then have gone ahead. It is expected that in 1943 sales and shipment will continue favorably.

Sales to the important Brazilian market fell off considerably during 1942. Shipments in 1942, compared with those of past years, were insignificant. This is largely due to the fact that the Brazilian market does not appear to be able to meet the prices current elsewhere. Very stiff taxes, in addition to tariffs, have been imposed by Brazil, with the direct purpose of restricting salt codfish importation.

Other Types

While salt codfish is the chief fish exported from Newfoundland —to the average islander it is known simply as "fish," all other types being given their common names—other products may prove increasingly important in postwar years.

Good results were obtained from the 1942 pack of Scotch cure herring, which is sold in the United States and Canada through one distributor in each country. Quantities packed have risen steadily for the past several years, and prices also have moved upward since the season 1937-38. A special type of herring was packed for South American markets but due to the shortage of hoop iron for barrels it is probable that shipments will have to be temporarily suspended.

Prices in Canada and the U. S. for herring showed a 10% gain in 1942 over the previous year.

The United Kingdom has always been the principal market for Newfoundland frozen salmon, but under present shipping conditions the item is regarded as a luxury. Exports in 1942 were below even the low market of 1941. Quantities shipped in those years were 1,936,000 lb. in 1941, 1,753,000 lb. in 1942.

Fewer men, because of the prevalent labor shortage, were engaged in lobster trapping. Live lobster exports in 1942 totalled 1,854,000 lb. against 2,148,00 lb. in 1941. In Newfoundland's small lobster canning industry little activity was reported.

No dried squid was packed in 1942. For the second year almost none appeared in Newfoundland waters.

Fewer boats were engaged in taking halibut, and the catch was well below normal last year. Fresh halibut exports were 161,839 lb. compared with 229,931 lb. the year before. Production of cod oil declined in ratio to the drop in catch. Exports in 1942 and 1941 are shown in the accompanying table.

Cod Oil Export

	1942 lb.	1941 lb.
Medicinal	222,000	241,000
Poultry	3,000	8,000
Common	370,000	545,000

The system of salt levies, under which the Government imposes a tax on export of salt and pickled fish, and with the returns equalizes the price of salt to the fishermen to levels of two years ago, has been continued.

Refrigeration Industries In Newfoundland Cut by War

Refrigeration, among one of Newfoundland's most essential industries, was severely hit in 1942 by the difficulty of securing new equipment and supplies under wartime conditions.

However, an increasingly large portion of available storage space has in recent months been used for storage of foodstuffs for eventual use by the armed forces, especially in St. John's, and it is felt that the comparatively new business thus obtained will in part compensate for curtailment.

During the year the recently erected freezing and storage plant of the Monroe Export Co. was burned. The plant was situated on the southwest coast, where there is a winter fishery and the loss of the plant is severe, since fishing plays an important part in the general prosperity of the island. The refrigeration season opens as a rule with production of cod fillets.

Some ten million pounds of frozen cod fillets were produced in 1942, for export to Britain, Canada and the United States, at a value at present prices, of considerably over a million dollars.

Salmon Pack Down

The canned salmon pack in 1942 was a good deal below normal. Demand was keen and prices good. Loss of the English market due to the war was less of a hardship than it might have been in ordinary times, since a large portion of those previously engaged in fishery have been employed on defense projects. A further advantage to the light salmon fishing during the war years is the opportunity which will have been given the salmon to multiply.

Blueberries, which in recent years have come to be regarded as an important industry, have had a production well below normal due to the scarcity of pickers. Last summer pickers received 30 cents per gallon on the grounds, but despite favorable weather conditions the total crop amounted to only some 55,000 boxes, with an export value of approximately $200,000.

So far most blueberries exported have been frozen, but in the postwar period, with improved transport, it is hoped that export as a fresh fruit may be possible.

Firms interested in the business are working in co-operation with the forestry division of the government in systematic burning of certain areas to improve quantity and quality of the berries.

The catch of smelts and scallops was in 1942 again far below normal. Demand is said to be good, especially for frozen scallops. Some extension of the industry, particularly on the west coast of Newfoundland, is foreseen following the war.

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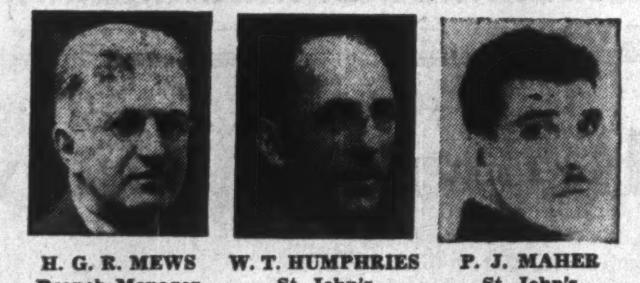
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War at Sea

Making it Tough for Submarines

Canadian Navy Uses Harbors for Convoy Work

Seeking a new phrase to emphasize the ocean-wide scale of the war against U-boats, Lord Beaverbrook recently subdivided the Battle of the Atlantic. He spoke in Britain of the vital importance of winning the "Battle of Newfoundland."

Like many such handy labels, this one obviously has a limited significance. The war in the Atlantic is too far-reaching and fluid to be divided conveniently into zones and fought piecemeal. Nevertheless, Newfoundland's geographical position relative to the routes across the North Atlantic is so important that the island has inevitably become one of the principal bases for sea operations. And since mid-1941, the new shore establishments of the Royal Canadian Navy in Newfoundland have made it possible to use the fortunate geography of the island with greater and greater effect. In the past year and a half the battle in the North Atlantic has taken shape as a contest justifying Lord Beaverbrook's insular name for it.

In 1941 Newfoundland began to be referred to as a North American fortress which Canadian and United States forces were developing as a strong point against attack on this continent. Naval, land and air forces moved in following the destroyer-base deal between Britain and the U. S. and in fulfilment of the plans worked out for the joint defense of North America.

The Newfoundland Command of the Royal Canadian Navy was established in 1941 and the Newfoundland Escort Force made up of mixed groups of Canadian and British vessels soon became an effective addition to the convoy defense units already at work in the Atlantic.

First Flag Officer Commanding the Newfoundland Force was Commodore (now Rear Admiral) L. W. Murray, R.C.N., who has since been appointed Commander-in-Chief, Canadian Northwest Atlantic, at Halifax.

The man who succeeded Rear Admiral Murray and is now Flag Officer Newfoundland Force is Commodore H. E. Reid, R.C.N., who moved to this appointment from Ottawa where he was Vice-chief of Naval Staff and a member of the Canada-U. S. joint defense board.

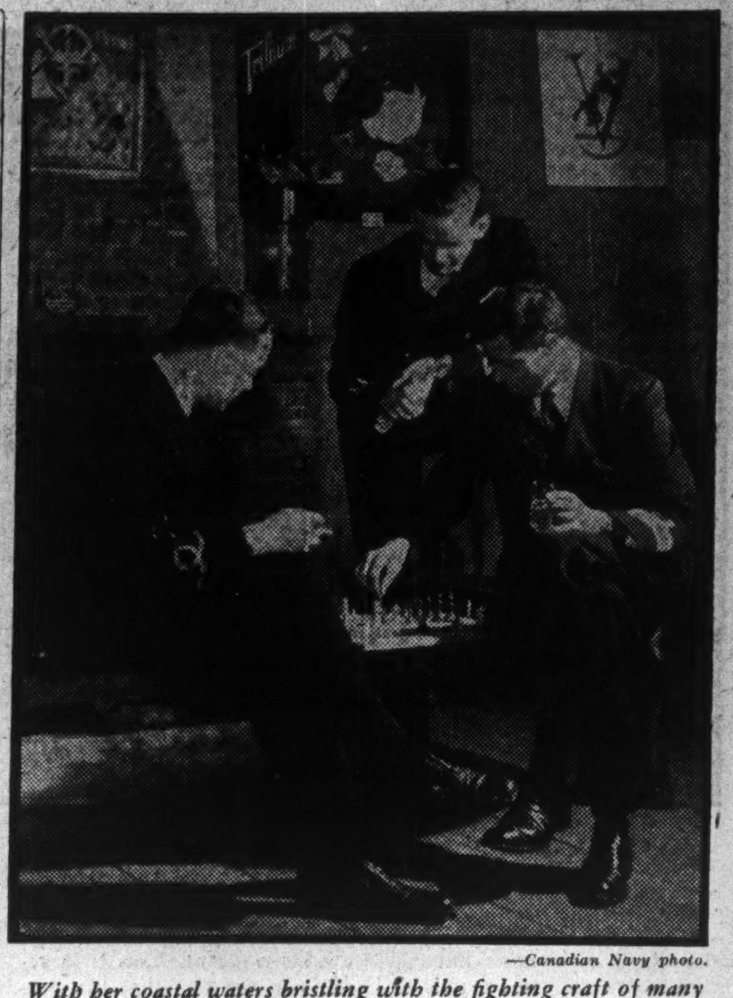
Commodore Reid, a career officer who has held almost every senior post in the Royal Canadian Navy, controls an operational organization which bears much of the weight of the Atlantic war and fights it in close collaboration with the Royal Navy and the RCAF.

RCN and RCAF work together in a closely synchronized system to provide combined sea and air protection of convoys.

Close Co-operation

Co-operation between the Royal Navy and the Royal Canadian Navy has been effectively maintained throughout the expansion of Newfoundland naval establishments. In 1939, when Atlantic convoy operations began, the Royal Navy had a small establishment at St. John's, under a Naval Officer-in-Charge, who was Captain C. M. R. Schwerdt, C.V.O., R.N. Captain Schwerdt, the Accountant Officer and Naval Control Service Officer and their staff completed the establishment which was maintained until the RCN took over.

During this period the small complement of Royal Navy officers and men accomplished a prodigious amount of work, providing base services for the increasing volume of Naval traffic. One of their jobs was to provide services and supplies for the armada of U. S. destroyers which was turned over to Britain in 1940. The four-stackers all stopped in Newfoundland with large demands for fuel and victualling services. They strained the then meagre port facilities to the limit.



—Canadian Navy photo.

With her coastal waters bristling with the fighting craft of many nations, Newfoundland has offered her hospitality to the men who are fighting to defend her and North America. One of the most popular spots is the Crow's Nest Club, a corner of which is shown here.

The problem faced after the formation of the Newfoundland Command was to build base establishments quickly which would handle many times the number of naval vessels that had hitherto been using Newfoundland ports as terminals. It was a job of construction that had to be undertaken when other defense building programs also were getting under way and the ensuing headaches were greater than any encountered on similar projects on continental North America where sources of supply were far more accessible.

Start From Scratch

Starting from scratch, first things were built first. Wharves, fuel and armament depots, stores, shops and barracks, a new Royal Canadian Naval Hospital and finally separate administration buildings have all been built.

The Royal Canadian Navy now has a complete organization in Newfoundland. As existing facilities are expanded — there has been little letup in the work—its efficiency is increasing.

The number of men of the RCN based on Newfoundland today runs into thousands and the result of their labors is unquestionably being felt by the Hun in that turbulent stretch of northern ocean where the war's longest sustained battle has been fought and is being waged to day with increasing fury.

Four-year Fight

The Newfoundland Escort Force is fighting the same battle today that began when the first convoys sailed from Halifax in 1939. The essential job of the escort groups is to get the convoys through. The secondary task has been to sink U-boats.

The NEF has done both. There is no exact record available for release of the vast tonnage of merchant shipping successfully convoyed past the U-boats by the Canadian and British ships from Newfoundland. They are justly proud of the record, and the Newfoundland Command has an unconcealed pride, too, in the U-boat kills that are now indelibly marked down to the credit of the destroyers and corvettes. H.M.C.S. Assiniboine was with the Newfoundland Escort Force when she bagged a submarine after a running fight in the Atlantic last summer. The destroyer St. Croix was with the NEF when she got one and the destroyer Skeena and the corvette Wetaskiwin together worked the certain destruction of another.

That is part of the list and part of the record, achieved by ships whose movements have often been limited by their obligation to stay with the convoys despite the temptation to pursue the U-boats out far beyond the extreme range of torpedoes.

Newfoundland Key Officials

The following Newfoundland Commissioners and leading government officials are those occupying key positions in the country's administrative organization:

HIS EXCELLENCY VICE-ADMIRAL SIR HUMPHREY WALWYN, K.C.S.I., K.C.M.G., C.B., D.S.O., Commander in Chief and Chairman of the Commission of Government.

HON. SIR JOHN C. PUDDESTER, Kt., L.L.D., Commisioner for Public Health and Welfare and Food Controller, Vice-Chairman of the Commission.

HON. SIR WILFRID WOODS, K.C.M.G., Commissioner for Public Utilities.

HON. L. E. EMERSON, K.C., Commissioner for Justice and Defense and His Majesty's Attorney-General.

HON. IRA WILD, O.B.E., Commissioner for Finance.

HON. P. D. H. DUNN, O.B.E., Commissioner for Natural Resources.

HON. H. A. WINTER, K.C., Commissioner for Home Affairs and Education.

W. J. CAREW, C.B.E., Secretary to the Commissioner and Secretary for Home Affairs.

G. B. SUMMERS, K.C., Secretary for Justice.

H. V. HUTCHINGS, C.B.E., Chairman of the Board of Customs and Chief Immigration Officer.

H. M. MOSDELL, M.D., C.B.E., Secretary for Public Health and Welfare.

COL. W. F. RENDELL, C.B.E., Secretary for Defence.

MAJOR J. HAIG-SMITH, O.B.E., Secretary for Posts and Telegraphs and Chief Censor.

RAYMOND MANNING, Secretary for Public Works.

WALTER M. MARSHALL, Secretary for Finance.

K. J. CARTER, Secretary for Natural Resources.

J. G. HOWELL, Secretary for Customs.

I. J. SAMSON, Secretary for Education.

E. C. PRICE, Deputy Food Controller.

H. J. RUSSELL, C.B.E., General Manager of the Newfoundland Railway.

DR. A. K. SNELGROVE, Geologist.

CLAUDE HOWSE, B.A., Associate Geologist.

J. E. TABOR, Director of Agriculture.

L. W. SHAW, B.A., Director of Vocational Training and Executive Secretary for Civil Re-Establishment.

RAYMOND GUSHUE, C.B.E., LL.B., Chairman of Newfoundland Fisheries Board.

J. A. WINTER, C.M.G., K.C., Chief Clerk and Registrar, Supreme Court.

G. P. BRADNEY, C.B.E., Comptroller and Auditor General.

D. JAMES DAVIES, C.B.E., Trade Commissioner for Newfoundland in the United Kingdom.

MAJOR R. H. TAIT, M.C., Director, Newfoundland Tourist and Publicity Commission and Trade Representative for Newfoundland in New York.

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ST. JOHN'S - - NEWFOUNDLAND

Browning Harvey Firm Long Business Record

Two native dishes which are dear to the heart of all true Newfoundlanders are "flippers" and "brewis," the former being cooked seal flippers and the latter a combination of fish and hard bread.

These have had more than a passing effect on the industrial life of the island, for it was the making of hard bread which originally brought into being the two firms which now constitute the great Newfoundland enterprise, Browning Harvey, Ltd.

The history of the firms of Browning and Harvey dates from 1860. Before that time hard bread had been imported, but Gilbert Browning, a native of Scotland, and Alex J. Harvey, in separate businesses, were able to compete with supplies brought in from abroad.

Both firms also made other varieties of biscuits, and were carried on by successive members of the families. Gilbert Browning, who died in 1882, was succeeded by his son James. On the death of James Browning in 1885 the firm was taken over by James Crawford, a nephew, who had come out from Scotland.

Gerald and Reginald Harvey had carried on business when their father, Alex Harvey, died.

In 1930 the two firms merged, with James Crawford and Reginald Harvey the joint managing directors. Modern baking equipment was installed, the well known Partridge trademark designed and the slogan "The taste will tell" adopted.

A new branch was begun in 1933, to manufacture soft drinks and candy. Browning Harvey's Orange Crush today has the largest sale of any similar product on the island.

While the war and shortage of sugar has had its expected effect in curtailing and channelling production to some degree, the company's policy is still one of advancement.

No efforts have been spared in the past to reach to new and higher standards, and before the war improvements and installation of the latest and best machinery were almost continuous.

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St. John's, Nfld.

Service Clubs Are Great Aid to Morale of Forces

To thousands of servicemen far from home St. John's offers recreational facilities which give the fighting man a chance to relax from his grim duties.

One of the most popular hostels has been the Red Triangle Club of the Canadian YMCA which in its year and a half of existence has played host to around half a million servicemen. These men may be given beds, or can obtain food, along with many types of recreation and entertainment such as dancing and moving pictures. Hundreds of ladies of St. John's help to operate the club on a voluntary basis.

Another centre for servicemen is the famous Caribou Hut operated by St. John's War Services. Rest, relaxation and entertainment is offered to the fighting men with particular attention being paid to the canteen service. During the past year a total of 417,000 men were served meals.

USO

The USO club is another service centre that is finding its accommodation taxed to capacity. Supported entirely by donations from the United States, this club includes a spacious auditorium, what is said to be one of the most up-to-date dining rooms in the city, a reading room and library, a gameroom and a soda grill. The basement of the building is given over to bowling alleys which are almost always in use.

The churches of St. John's operate the Terra-Nova Club, which provides popular recreational facilities for the fighting services. Every night the club provides games, while every second night there is a movie show or concert entertainment. The main auditorium of this club has seating accommodation for some 500 men.

A tragic blow was struck last December when the Knights of Columbus Hut was destroyed by fire with a heavy loss of life. While this tragedy remains vivid in the minds of the people of St. John's, they continue to carry on through the other hostels and in their own homes the self-appointed task of providing a brief respite for the men who stand guard on the island and those who have come to relax for a few hours from their duties on the grim Atlantic or on anti-submarine sweeps with the Air Force.

Seal Fishery Declines

The Newfoundland sealing industry, once a major source of revenue, declined still further in 1942 from the low point of 1941.

In 1942, 46,875 skins were produced at a value of $98,121. In 1941 there were 203,881 skins valued at $326,357.

This year no sealing vessels, so far as is known, sailed for the seal fishery. Disappointed by last year's poor return, and with other work, such as defense projects, in need of men, former seal fishermen have remained on shore.

The industry has failed before, but it is feared that coming at this time the lack of interest may be more permanent, particularly since during the postwar period emphasis is expected to be placed on the modernization of other fisheries.

The seal fishery has a long tradition behind it. Around 106 years ago 121 vessels sailed from St. John's with crews of 2,940 men, and from Conception Bay the same year 206 vessels set out, carrying 4,937 men.

Last year two sealing vessels put out. In the year before that four vessels netted a total of 42,666 pelts. In 1942 the almost empty holds meant a total pay for the crew of one vessel of only $20.56 each, and for the other $12.66; the result of six weeks' hard work.

Record of the Fishery

EXPORTS OF FISH AND FISHERY PRODUCTS OTHER THAN SALTED CODFISH

Classification	Unit	1941 Quantity	1941 $ Value	1942 Quantity	1942 $ Value
Codfish: Round, Fresh and Frozen	lb.	1,811,827	34,542	900,779	31,194
Fillets, Fresh and Frozen	lb.	8,102,396	528,498	10,476,973	1,015,787
Fillets, Smoked	lb.	3,756	240	......	......
Roes, Salted	lb.	2,530	110	......	......
Skins, Salted	lb.	......	......	2,100	21
Tinned	lb.	816	132	18,300	24,923
Tongues, Fresh	lb.	3,205	141	145	8
Tongues, Tinned	lb.	......	......	18	6
Halibut: Fresh and Frozen	lb.	229,931	23,265	162,424	22,633
Livers, Fresh	lb.	9,501	2,076	4,769	1,564
Herring: Fresh	lb.	1,031,675	7,310	651,221	9,886
Milt	lb.	8,000	341	2,500	100
Pickled, Dressed	lb.	4,236,652	107,449	3,587,750	134,827
Pickled, Fillets	lb.	239,900	10,878	469,170	25,972
Pickled, Round	lb.	2,800	168	......	......
Pickled, Scotch	lb.	5,153,000	177,603	5,421,400	216,323
Pickled, Split	lb.	511,620	14,291	1,011,695	42,052
Saltbulk	lb.	768,385	6,019	854,000	9,608
Scales	lb.	2	......	......	......
Smoked, Bloaters and Kippers	lb.	76,920	4,624	2,051	189
Vinegar Cured	lb.	179,240	4,205	......	......
Lobster: Fresh and Alive	lb.	2,148,343	224,387	1,854,063	214,095
Tinned	lb.	19,456	12,178	4,766	3,820
Meal: Codfish	lb.	......	......	500,200	12,300
Cod Liver	lb.	363,000	21,268	374,600	20,707
Cod Liver Cake	lb.	123,934	1,209	......	......
Cod Liver Pressings	lb.	241,656	1,724	4,965	45
Herring	lb.	......	......	3,093,120	67,996
Seal Oil Pressings	lb.	......	......	8,250	124
Oil: Cod, Common	gal.	545,100	414,934	394,449	327,152
Cod, Poultry	gal.	8,153	13,383	2,961	4,374
Cod, Medicinal	gal.	241,424	649,081	216,073	593,677
Cod, Stearine	lb.	196,815	10,462	119,789	14,911
Dogfish	gal.	1,246	487	......	......
Herring	gal.	......	......	74,760	44,137
Seal	gal.	451,126	180,507	96,827	53,815
Whale	gal.	127,982	82,335	417,836	229,969
Salmon: Fresh and Frozen	lb.	1,935,794	219,763	1,753,396	209,243
Pickled	lb.	586,400	48,184	895,930	70,118
Smoked	lb.	76	9	25	5
Tinned	lb.	62,186	13,049	9,777	2,791
Smelts: Fresh and Frozen	lb.	170,347	20,857	265,534	26,660
Squid: Dried	lb.	58,950	6,677	......	......

EXPORTS OF SALT CODFISH DURING CALENDAR YEARS 1941 and 1942

Jan. 1 to Dec. 31, 1941: Shore (Qtls)	Labrador (Qtls)	Total Dried (Qtls)	Saltbulk (Cwts)	Countries to Which Exported	Jan. 1 to Dec. 31, 1942: Shore (Qtls)	Labrador (Qtls)	Total Dried (Qtls)	Saltbulk (Cwts)
......	80,190	80,190	....	Spain	2,230	76,482	77,712	......
232,958	......	232,958	......	Portugal	332,342	26,496	358,838	......
40	16,368	16,408	17,164	United Kingdom	......	......	......	36,509
1,521	......	1,521	......	Malta and Madeira	572	......	572	......
48,050	......	48,050	......	Brazil	20,114	......	20,114	......
2,534	4,235	6,769	39,665	U. S. A.	8,882	192	9,074	50,876
7,426	102	7,528	20,347	Canada	13,469	3,275	16,744	12,817
77,480	......	77,480	......	Jamaica	60,268	......	60,268	......
13,610	360	13,970	......	Barbados	7,232	122	7,354	......
11,316	100	11,416	......	Trinidad	7,658	......	7,658	......
72,008	37,018	109,026	......	Puerto Rico	86,756	21,088	107,844	......
2,254	8,181	10,435	......	Cuba	475	1,662	2,137	......
42,527	17,371	59,898	......	Sundry West Indies	74,502	9,694	84,196	......
9,240	245	9,485	......	Other sundry markets	8,738	54	8,792	......
520,964	164,170	685,134	77,176		623,238	138,065	761,303	100,202

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Newfoundland RCAF Bases Guarding North America

Outpost of North American democracy, Newfoundland, strategically lying off the entrance to the St. Lawrence and along the northern shipping route, is the Gibraltar of North America. So vital in the battle of the Atlantic, this island today has become one of the most heavily fortified parts of the Empire. From here fighting services of Newfoundland, Canada and the United States work hand in hand ready to meet any attempt at invasion, from land, from sea and from air.

In years gone by, the North Atlantic has been a challenge to the most enthusiastic adventurer. In wartime, with enemy U-boats threatening shipping, it is even more a challenge and this challenge is being met by the youth of our allied navies, armies and air forces. War is grim business, even thousands of miles from the actual theatres of war, here, through summer and winter, there is not a moment the island is left undefended. There is not a day when convoys are not protected by sleek corvettes, destroyers and cruisers, manned by the men of the silent service. There is not an hour, weather permitting, that some members of the Air Force are not out on convoy patrol or anti-submarine sweeps.

From dawn to dusk and from dusk to dawn, in all weather, allied Air Forces operating from Newfoundland keep guard in order that vital supplies get through to Britain and Russia.

Perhaps Newfoundland is best known for its oceanic ferry bases, where pilots dine on this side of the Atlantic and breakfast on the other. It is the jumping off airport, for ferry command, and when this war is won, their record will have an important place in annals of aviation. It is not possible to state the number of aircraft that have left this base for England, but it can be said that Ferry Command has had a big hand in bringing air superiority to the Allied Nations.

Day and night, the constant vigilance of R.C.A.F. stations on Newfoundland continues. Coastal reconnaisance squadrons have many engagements with the enemy. Airports are the crossroads of world air routes, some as self-complete as cities, with a transient population which includes Polish, Norwegian, Chinese, Dutch and even Russian uniformed men.

Practically isolated by air in pre-war days, Newfoundland is now an island of operational air bases for both the United States Army Corps and Royal Canadian Air Force. The RCAF Coastal Reconnaissance squadrons have had many a tangle and since the start of the war have built up an enviable record.

One land based squadron operating from this outpost, and maintaining a vigilance extending hundreds of miles out toward Britain, has at least six attacks on U-boats logged in the squadron diary. Three of these were within a six-day period and one is believed to be a "kill." So precise was the bombing during this attack that a depth charge was seen to drop and ricochet off the hull of the still surfaced submarine.

Coastal patrol is not the dull routine some believe. Great courage is required; there are thunder storms, rain and fog during the short summer months, closely followed by sleet, snow and freezing conditions when within a few minutes hundreds of pounds of ice can form on wings to increase the hazard. Aircrews will admit they would welcome a chance to raid Berlin, but fully realize that their task is equally important. "I had to wait through 1,500 hours of flying on patrol before I got a crack at a U-boat. It was worth waiting for," said one pilot, a veteran of coastal reconnaissance operations.

City in Uniform

Many of the airports abroad and in Newfoundland are in the most isolated sections of the country. One such airport here is many hours by train to the nearest city but is, however, a city in itself.

The main street of this RCAF metropolis is flanked on either side of its paved runways by enormous hangars. Off to one side is the city hall, where the commanding officer of the station directs the activities. There is a residential section, and down the "main street" is one of the most modern equipped hospitals, complete from operation room to isolation wards. There is the post office; the church or chapel; the restaurants or mess hails as they are referred to in the service; stores or equipment depots; the police station or S.P.'s hangout; the chief of police's office, more often referred to as the I.O. office or Intelligence headquarters.

Then there are the local stores or canteens; the central heating plant and, of course, at the main intersection, the control tower, key spot of any airport from which all traffic is governed by the customary red and green stop or go lights. There is the laundry, a massive establishment, it is modernly equipped and capable of looking after the bedding and clothing of thousands of troops, both Army and Air Force.

Morale of the service personnel serving at remote stations is of the utmost important, and the question of morale and recreation has not been overlooked in the building of these wartime cities. Latest moving pictures can be seen a couple of times a week and quite often entertainment troupes drop in to give a lift to the station morale.

The gymnasium is a miniature sport palace, badminton and basketball courts; bowling alleys; library and one of the most modern swimming tanks. It is here that the RCAF personnel find much entertainment during the long winter months. Competitive sport also manifests the friendly rivalry between squadrons and the various station units. There are the hockey, basketball and baseball leagues that function, culminating in the Newfie world series playoffs; the tennis and badminton tournaments and even the cribbage tournaments. Cribbage has become a national pastime in the various messes.

Maintenance, the foundation of all air operations, is a tough nut to crack under extreme winter conditions. Heated hangars make possible some degree of comfort during major repair operations, but there always is a large amount of work to do outside the cosy hangars. The starting of aircraft in sub-zero weather during the small hours of the morning is no snap despite the special cold weather clothing developed specifically for this type of work by the RCAF. Beating old man winter is a continuous battle at northern airports. The groundmen never let a snowstorm get the upper hand — the runways must be kept open — and it is many a night big snow blowers can be seen tossing billows of snow to one side.

Crossroads of a world at war, one Newfoundland base is perhaps the most cosmospolitan spot on this continent. The presence of Polish, Norwegian, Chinese, Dutch, Free French or even Russian uniformed men might startle the newcomers, but to the veterans provoke only such comment as "I wonder which way they're going." The friendship between nationalities so clearly evidenced at the base augurs well for the new international amity promised after the war.

—R.C.A.F. photo.

Catalina Flying Boats of the Royal Canadian Air Force are a major factor in the coastal patrol. Here one of these big ships is shown above Newfoundland's rugged shore line.

Railroad

Railway Meets Challenge

War Conditions Bring Heavy Burden

A revealing barometer of the level of Newfoundland's economic welfare is the operating rate of its railway facilities. During 1942 Newfoundland Railways handled the greatest passenger and freight traffic in its 61 years of history. Operating deficits which marked the pre-war years have been transformed into healthy surpluses.

Heavy construction activity of the defense bases in different parts of the island along with the much accelerated tempo of Newfoundland's industrial life has placed upon the railway a particularly heavy burden. That load has been increased by the fact that there is only one rail line across Newfoundland and there is no well developed system of highways to take up part of the load.

Big War Job

It was up to the railway to move quickly and efficiently thousands of tons of construction material of every description as well as thousands of military personnel and workers. The increased purchasing power of Newfoundlanders has heavily increased imports from Canada and the United States. These imports landed on Newfoundland's docks have in many cases had to be transported long distances by the railway to the final customer. At times the pier and terminal facilities which were designed for the peacetime level of business have become very congested with the inflowing flood of materials.

Gets New Equipment

Despite its recurring deficits in peacetime, the Newfoundland railroad had been kept in reasonably good shape. However, what was sufficient for peacetime traffic did not nearly meet the urgencies of wartime demand. It soon became apparent that much new equipment would be necessary.

The Reconstruction Finance Corp. of the United States suggested that more equipment should be made available to help ease the strain and that it was willing to finance such purchases. Following this offer a 15-year loan for $2.1 millions at 2½% was negotiated with the RFC. Up to March 31, 1943, the railroad was receiving rolling stock and equipment to the value of $671,000 under the terms of this loan agreement.

Government Advances

The Newfoundland budget for the year ended March 31, 1943, revealed that a total of $925,000 had been advanced to the Newfoundland railway in order to meet the needs of its greatly increased activities. While the heavy activity of the railway has meant ability to operate at a surplus this favorable financial position recently has been affected to some extent by higher costs of operation, including increased wages. Operating surpluses are now going entirely to provide for depreciation of equipment, with few exceptions. Since July 1, 1941, expenditures out of depreciation account have amounted to over $1.9 million and have included the cost of replacing bridges and culverts, the construction or reconstruction of buildings and the purchase of rolling stock, dockyard equipment and three steamers.

New passenger equipment consisting of sleeping cars, coaches, mail, baggage and express cars is being built for the railway in Montreal and should be available fairly soon although delivery has been held up due to the shortage of steel.

Lose Caribou

A heavy blow to the railway during the past year was the loss by enemy torpedo action of the steamer Caribou which plied between Port Aux Basques, Newfoundland, and North Sydney, Nova Scotia. This steamer was a particularly valuable link between Newfoundland and Canada. It now takes two steamers to satisfy this need, and this fact restricts service to other parts of the island. Replacement value of the Caribou is estimated to be well in excess of $1 million.

A high rate of operations may be expected to continue for the Newfoundland railway, at least for the duration, although some diminishing in freight traffic may be occasioned by declining construction activity at the defense bases. Employing around 3,500 workers, with an annual payroll of some $4 millions, the railway is an important part of Newfoundland's business life.

The improved wartime business that the railway has obtained has allowed it to place itself in much better operating position which should stand it in good stead when the days of peace return. The railway obviously will play a vital role in the increased industrial development of Newfoundland. It is now in a better position not only to meet the new conditions that the postwar days will bring, but also has new facilities with which to speed a permanent industrial development.

NEWFOUNDLAND RAILWAYS
Revenue—Years Ended June 30

	1942	1941	1940
Passengger	$1,504,215	$ 754,776	$ 531,096
Freight	2,592,154	1,672,748	1,209,797
Mail	48,000	48,000	48,000
Dining, Sleeping Cars	259,904	125,765	93,645
Miscellaneous	235,850	105,986	67,395
Express	388,298	206,364	151,920
Steamships	1,681,298	1,031,752	925,104
Dockyard	1,457,535	1,021,725	465,228
Total Revenue	8,167,254	5,015,117	3,512,186
Expenditure:			
Railway	3,942,116	2,686,530	2,356,446
Steamer	1,528,401	1,019,565	799,551
Dockyard	1,149,722	810,392	439,143
Depreciation of Assets Finances from Colonial Dev. Fund and Dominion Office Loan	95,892	....	....
Total Expenditure	6,716,131	4,516,487	3,595,140
Operating Balance	1,451,123	498,630	....
Operating Loss	....	....	82,594

USO Provides Recreation

For the relaxation and entertainment of American armed forces in St. John's, there has been established a USO Club, providing a recreation centre that is distinctly American.

A big feature of the USO is the Hostess Army. Headed by wives of American nationals living in St. John's, the USO hostess group includes Newfoundland girls who have volunteered to help out with the entertainment program. They act as hostesses for the dances and other events, and now number more than 400.

Insurance Policies Gain by 1,400

The number of insurance policies in force in Newfoundland at the end of 1941 was 29,056, an increase of some 1,400 over the previous year. The total of insurance in force at that time was $63,889,727 compared with $59,840,738 at the end of 1940.

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CITY OF ST. JOHN'S

NEWFOUNDLAND

Facts About St. John's

The following facts concerning the City of St. John's are of interest:

First elected council took office in 1888.
Present population of City: 44,000.
The City has a Property Valuation of $40,000,000.00
Annual Rental Valuation: $2,500,000 (on which taxation is based).
Fire Insurance Premiums collected within the City amount to approximately $300,000,000 annually.

THE CITY DEBT. The City debt of $1,000,000.00 to the Government of Newfoundland at 3 per cent interest; loans from the Bank $396,700; bond issue of $500,000.00 has been reduced to $240,000.00.

WATER SUPPLY

The water supply is secured from Windsor Lake, situated five miles from the City of St. John's. The elevation of the lake is 500 feet above the City. Area of watershed: about twenty miles. A practically inexhaustible supply of first-class water is available for all requirements. Water pressures all over City are maintained at 80 to 130 lbs., which ensures ample fire protection. Although the supply is capable of giving 20,000,000 gallons per day, the average daily consumption at present is only 7,000,000 gallons.

In addition to the main water supply, an auxiliary supply is situated at George's Pond. This, however, is only used in case of emergency.

POWER AND GAS

Hydro-electric power is supplied by the Newfoundland Light & Power Company in conjunction with the United Towns Electric Company, Ltd., at a low rate. Ample power is available for future development.

St. John's Gas Company. New capital has been acquired to increase the scope of the company's activities and to supply gas to residences and for power purposes.

STREETS

Fifty miles of macadam roads; 2 miles paved roads; over 13 miles of concrete walks. Both concrete walks and paved roads will be increased in the very near future.

BANKS

Branches of the following Canadian banks are located in St. John's — Canadian Bank of Commerce, Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada; also Head Office of the Government of Newfoundland Savings Bank.

EDUCATIONAL

The following are some of the City's well-equipped educational institutions:—Memorial University College, Bishop Field College, St. Bonaventure's College, Prince of Wales (United Church) College, Bishop Spencer College, K. of C. Memorial School, Presentation Convent Schools, St. Patrick's Hall and Holy Cross Schools.

MANUFACTURING

Some of the leading industrial firms are:

Bennett Brewing Company
Browning-Harvey Factories
Bavarian Brewing Co. Ltd.
Carnell's Carriage Factory
Chalker & Co. Ltd.
Colonial Cordage Company
Wm. Dawe & Sons, Ltd.
Harvey-Brehm Butter Company
Horwood Lumber Company, Ltd.
Imperial Tobacco Co.
Lawrence's Carriage Factory
Newfoundland Boot & Shoe Factory
Newfoundland Brewery
Newfoundland Butter Company
Newfoundland Clothing Company
Newfoundland Furniture & Moulding Co. Ltd.
Newfoundland Lime Mfg. Co. Ltd.
Parker & Monroe's Shoe Factory
Pope's Furniture Factory
Purity Factories, Ltd.
Riverside Woollen Mills, Ltd.
Standard Manufacturing Company
United Nail & Foundry Company
White Clothing Company

Head offices of the United Towns Electric Company and Avalon Telephone Company, Ltd., are situated in St. John's.

HARBOUR and SHIPPING

St. John's land-locked harbour is one of the best on the Atlantic sea-board.

All steamers must pass St. John's on the way to and from Canada, the United States and Europe.

ST. JOHN'S MUNICIPAL COUNCIL

Mayor: ANDREW G. CARNELL

Councillors:

ERIC COOK *(Deputy Mayor)*
O. L. VARDY
E. LAWRENCE
J. J. SPRATT
J. P. KELLY
J. T. MEANEY

City Clerk: J. J. MAHONY, J.P.

Mining Industry

Drive for Vital Minerals

War Needs Underline Mining Progress

In step with the tempo of war the Newfoundland mining industry is concentrating its efforts on development of strategic minerals. In iron, fluorspar, copper, lead and zinc the resources of Newfoundland have proved to be of considerable importance to the United Nations.

The production of fluorspar has shown a particularly heavy expansion. This important mineral is obtained in the St. Lawrence area on the south coast of the island. It is an important factor in the aluminum and steel industries of Canada and the United States. Up until 1942 the only fluorspar producing company in Newfoundland was the St. Lawrence Corp., which is associated with American interests. Last year, however, another company entered the ranks of the producers, this being Newfoundland Fluorspar, a subsidiary of the Aluminum Co. of Canada. Coming into production for this company marked the end of five years of preparatory development and exploration.

Mining officials in Newfoundland believe that 1943 will see fluorspar production from the St. Lawrence area at a level at least 12 times what it was in 1941 when 11,341 tons worth $170,115 was produced. The stepup in production of this mineral has entailed considerable construction activity in the St. Lawrence area which within the past year or so has changed from a minor to a major industrial centre.

Further expansion of productive facilities is now in hand with arrangements being made by the War Production Board in the United States to import fluorspar in substantial quantities from Mexico and Newfoundland. In line with increased demand, it is proposed to erect at the St. Lawrence Corp. property the most modern fluorspar mill available and to increase output substantially.

Mining represents an important part of the Newfoundland industrial set-up. War has accented the need for many strategic minerals and the island is pushing development of its fluorspar, copper, lead and zinc resources. Iron still remains the king-pin of the industry but exports have had to combat a difficult shipping situation. Newfoundland has many interesting showings of various minerals that indicate possibilites for postwar exploration and development.

There is a reasonable expectation that demands for fluorspar will be maintained after the war. In this light the wartime expansion of Newfoundland's output becomes particularly important as the increased production and facilities now available should further diversify Newfoundland's economy, something which is recognized as being highly desirable on the island.

Buchans at Capacity

A very important factor in the Newfoundland mining picture is that of Buchans Mining Co., which is operated by American Smelting & Refining Co. Operations here have continued to push along at full capacity. Buchans zinc concentrates are a vital source of supply to the United Kingdom while heavy quantities of lead and copper concentrates are sent to American war industries.

Canadians are directly interested in development of Newfoundland deposits of chromite, used in making steel alloys. Drilling by Springer Sturgeon Gold Mines in the Fox Island River district in 1941 outlined around 12,000 tons of ore containing 36.97% chromium oxide. The tonnage so far indicated is insufficient to warrant building the necessary road to tidewater for shipment. Further prospecting to discover additional deposits was carried out during 1942.

The search for other vital minerals has also been actively pursued. During the past year ten shallow diamond drill holes put down in the Bay St. George area indicated a strontium orebody of interesting possibilities. This mineral is being used in increasing quantities for tracer bullets, rockets and flares. In the Rambler area there are known to be deposits of copper, and copper-molybdenite ore which are receiving increasing attention. Possibilities of producing vanadium and manganese are also being explored.

Iron Leads

Still of leading importance in Newfoundland's mining industry are its iron ore resources. Here, again, Canadians have a very direct interest in the development of these resources. Up in Labrador Hollinger Consolidated Gold Mines holds the controlling interest in Labrador Mining & Exploration Co. This company has a concession of 20,000 square miles in Labrador on which five major ore deposits have been indicated from surface exposures. Grade runs from 60 to 65% with one of the deposits at Sawyer Lake running 65% in iron with low content of phosphorus and sulphur and low silica.

This concession contains, in addition to its iron potentialities, a large undeveloped hydro-electric power site. Grand Falls, on the Hamilton River, is estimated to have a potential of from 3 million to 5 million h.p. During the 1942 field season exploration work was concentrated on deposits other than iron.

Dominion Steel & Coal Corp. is developing the high grade magnetite deposits in the Indian Head area to supplement the average grade red hematite that is obtained at Wabana. Previously this company obtained its magnetite from other sources which are now unavailable due to war conditions. Production at Indian Head is small at present, but is being increased to a more substantial rate.

Wabana Has Trouble

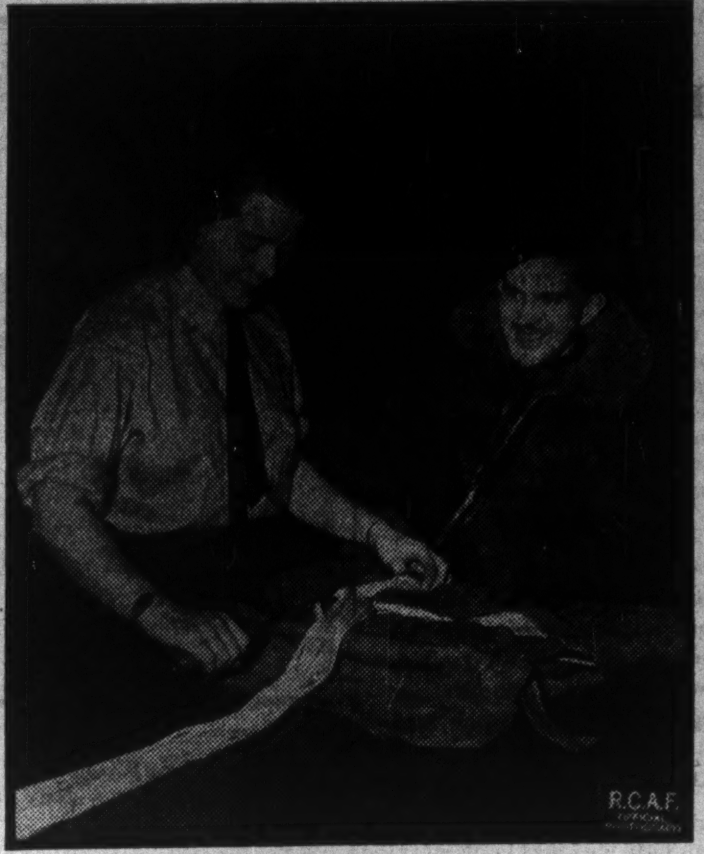
Operations at the Wabana Mines of Dominion Steel & Coal Corp. on Bell Island have been seriously affected by wartime conditions. Work during 1942 was maintained on a full-time basis until Nov. 1 and on a five-day-per-week schedule from that time until the usual yearly Christmas shutdown. During the year a total of 1.2 million tons of iron ore was mined, some 250,000 tons greater than in 1941. Ore exports, on the other hand, were cut to 980,000 tons as compared with a little over 1.2 million tons in the previous year. Shipments to Great Britain amounted to 209,000 tons while 772,000 tons went to Sydney. In 1941 the shipments to Great Britain were approximately 331,000 tons.

The curtailment of shipments to a figure well below the actual ore produced brought about a heavy accumulation so that at the start of 1943 there were some 574,000 tons of ore in stock at Wabana, a figure far in excess of the usual carryover, and one which made reduction of mining operations necessary.

On Jan. 7, 1943, operations were cut to a three-day-per-week schedule. It was found that there was a very substantial increase in costs due to these restricted operations and on Feb. 25 all operations were discontinued. However, by early May the situation had improved sufficiently to allow reopening of three of the iron mines on a four-days-a-week working schedule. It seems probable that the rate of operations for the balance of 1943 will be largely governed by shipping conditions.

The Bell Island mining operations are an important part of Newfoundland's industrial development, employing some 2,000 workers.

Newfoundland has already been proved to be a land of many minerals. In some cases these departments have been of too limited an extent to allow economic mining. However, the presence of these conditions is sufficient to indicate the possibility of more commercial ore bodies. Exploration and development of Newfoundland's mineral resources has been somewhat hindered by lack of capital, poor internal communications and a heavy overburden that lies over many parts of the country. The importance of developing the island's mining industry is fully realized by many Newfoundlanders and it appears likely that increased consideration will be given to looking for and developing mines to strengthen further the country's postwar industrial life.



—R.C.A.F. photo.

Girls of the RCAF, Women's Division, are playing an increasingly important part in maintaining the air bases on the island. Here a flyer watches one of the WD's pack a parachute.

Bowater's

New Markets After War

Pulp Industry Preparing Now for Postwar Period

Since the outset of the war, plants of Bowater's Newfoundland Pulp & Paper Mills Ltd. have worked virtually at full capacity. Operating time in 1942 was 98%, only a small decline from 100% in 1941.

The outlook for the balance of 1943 is held to be somewhat less promising, but it is believed that this major industry of the island will continue to produce in quantity, although shipments to Australia and Pacific points have been curtailed and, with the United Kingdom consumption reduced, the chief outlets are now Canada and the United States.

In 1942 these problems were met in part by changes in output. A new type of wrapping paper was developed for the Newfoundland market, and various newsprint specialties were produced, as well as groundwood and sulphite pulp in rolls and bales for export. In spite of war restrictions on transport, the company's products have on the whole been successfully delivered to their markets.

The comparatively new Corner Brook sulphite mill began operations in 1941, and since that time a number of improvements both in quality and production methods have been made.

Since most of the pulp produced has been marketed in the United States, efforts are being made to bring quality up to a level such that after the war the mill will be in position to compete with the best grades of unbleached pulps from North America and Scandinavia.

A new limestone quarry containing a high grade of calcium carbonate, essential to the production of good cooking acid and good pulp, has been opened up.

While all of the company's products in the past year have been delivered to their points of consignment, two company vessels, S.S. Kitty's Brook and S.S. Waterton, were lost through enemy action.

To compensate in as far as possible for the lack of critical materials, particularly metals and alloys, a reclaiming department was set up last year by the company. All scrap from the mills is checked and re-sorted and much valuable matter which in former times would have gone to waste is now salvaged.

During 1942 some 56 cutting camps were opened up but 16 have closed owing to lack of labor. The company has had some 1,000 men in the woods, approximately half of the normal employment.

Shortage of labor has brought about consequent scarcity of raw materials, which has further limited company operations for the current year. However, with the completion of Newfoundland defense projects, it is believed more labor will become available for logging operations.

Men working for the company in 1942 showed the highest average cutting record per man in several years, at 1.62 cords each per day. This average produced average daily earnings of $4.15.

The hydro-electric system of the company made several advances during the year, but operations of projected new undertakings were hampered by war shortages.

Telegraph Traffic Increases 54%

Telegraph traffic handled in Newfoundland during 1942 as compared with the last full prewar year showed an increase in ordinary rate messages of 54%, 360% for priority rate and 58% for total paid traffic. An analysis has shown that on each of the nine telegraph circuits in St. John's there is one message every 1.2 minutes, or 50 messages an hour over a working day of eight hours.

Red Cross Work Seen Vital

A work of great importance is being done in Newfoundland by the Canadian Red Cross. One example of the many tasks undertaken by this organization was the speedy work of mercy that was carried out last December when the Knights of Columbus Hall in St. John's burned down with the loss of many lives and scores of injured.

Many of those who were terribly burned in this holocaust would have died had it not been for the Canadian Red Cross dried blood serum, 200 cylinders of which were rushed to the rescue.

Canadian women in Newfoundland are doing considerable work as volunteers at the Canadian Red Cross centre. All over the world seamen survivors tell stories of the help given them at this Newfoundland port. When they return from a trip many come straight from the harbor to the centre. They have painted workrooms, repaired equipment, opened packing cases and offered their services in countless capacities.

As an outpost of the Atlantic, Newfoundland has provided a haven for many seamen whose ships have gone down. Through Canadian Red Cross facilities many of these seamen have obtained comforts and aid to restore them to their full ability and speed their return to sea.

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Newfoundland Railway
St. John's, Newfoundland

Test-tube For Inflation

War Dislocates Newfoundland's Economy

Rising Prices, Shortages, Among Problems to be Met

War has brought Newfoundland a wave of unprecedented prosperity. The establishment of American and Canadian bases and the realization by the allies of its strategic importance has brought a major shift in economy. In the past year there have been added climbing prices, shortages, many new problems.

It is now generally accepted, the peak of Newfoundland's "war boom," has been passed. Now, they say, the job in hand is stabilization and a return to a more normal living standard.

More prosperous times than the island has experienced in the past are foreseen in the postwar period, but they will be due to improved methods in industry, particularly fishing, it is held.

Higher prices have been one of Newfoundland's major headaches, and its experience in the past two years provides a test-tube of inflationary results. Recently fresh salmon was offered in limited quantity at 70 cents per pound, approximately double the "normal" price. Salmon is a product of the island so that the cost could not be attributed to shipping expense. At 70 cents, the commodity was out of the reach of most consumers and some storekeepers are reported to have decided not to stock the item in future.

Price Control

Price control has been instituted under war regulations which empower the Commissioner for Public Health and Welfare to set maximum prices and provide penalties for failure to comply with his rulings. It is also provided that the amount of mark-up by the various agencies in the distribution chain can be limited, but in a country as dependent upon imports as Newfoundland a blanket ceiling such as t at imposed in Canada is not feasible.

Prices in exporting countries have also risen, it is pointed out, and to this cost increase must be added freight, duty and retailer's margin.

An article which has risen 100% in the country of origin may be up 110% or more in Newfoundland.

Since virtually all other supplying countries have been cut off, Canadian and American exporters are finding heavy demand in Newfoundland.

Taxes have not gained steeply, so that buying power on the island remains good. Most taxes are still indirect.

Wide Range

Under the price ceilings set late last year, eggs at retail may not exceed $1.05 per dozen and maximums have also been established for certain brands of oleomargarine. Imported eggs were between $1.25 and $1.60 per dozen before the ceiling.

Very often selling prices of certain goods had little or no relationship to cost prices and were determined by supply. In the case of office equipment, prices of which were examined last year, it was found that the landed cost might amount to $1.82 but that merchants charged between $2.75 and $5.50 for items, depending on their stock position. Goods of which stocks were plentiful were correspondingly cheaper.

Canadians today are noting a rising cost of living, particularly in seasonal items, but prices in the Dominion are low compared with those in Newfoundland.

Newfoundlanders have had to cope with many problems under the stress of wartime conditions. They have experienced a wave of prosperity which few of them five years ago would have believed possible. Prices have soared, transport is difficult, rationing has been necessary. With the tapering off in defense work, authorities are looking to the postwar period, determined that a higher standard will be theirs in the future.

The situation is not entirely comparable, since the island is at present importing during times of great shipping space scarcity and has had the added disadvantage of originally having a poorer economy upon which the richer standards of the "invading" Americans and Canadians have been imposed. However, the following examples of prevailing costs of stable goods give some idea of what inflation, with equivalent costs, would mean here.

Tea is $1.20 a pound, coffee $1. Cream (grade A) retails for 55 cents a half pint. Chickens, when they can be obtained, are 79 cents a pound and milk per quart costs the consumer 24 cents.

Butter is 90 cents a pound. Eggs are 88 cents a dozen. Potatoes are $3.50 per sack. Lobster, an island product, is $1.20 per pound tin.

The price of coal has risen steeply, since shipping space is at a premium. When it can be obtained, hard coal sells for $27.75 per ton and soft coal $24.75.

War Spending

Spending has been lavish, but only in comparison to former, and harder years.

Most of the buying has been the catching up with a backlog of necessities rather than "luxury spending." If, as is foreseen, a tapering off period follows the present boom and precedes establishment of a satisfactory postwar working economy, Newfoundlanders will at least be supplied with some of the necessities which have been missing for the past decade.

Transport, of vital importance in Newfoundland's living standard and entire life, has suffered from many bottlenecks. Last winter a Transportation Control Board was created, composed of civil servants, with two representatives from the Board of Trade. The executive officer is the general manager of the Newfoundland Railway, H. J. Russell.

An embargo was established on freight consigned to Newfoundland by way of Cabot Strait in the Straits of Canso, across which a rail ferry operates, to points east of Grand Falls.

The Newfoundland Railway has been handicapped by delays in the delivery of rolling stock, financed by part of a special loan made by the United States Government agency, Reconstruction Finance Corp.

About a year ago the Transportation Control Board announced priority ratings on various goods, listing supplies of all kinds in graded divisions of importance. At the same time it was announced that priorities would be changed and regulated from time to time as circumstances demanded.

Certain foodstuffs are now rationed to islanders, although it was originally believed that the higher prices brought about by tariffs and shortages would, in themselves, be a factor discouraging heavy buying.

Food Control Plan

Most recent changes in the food program were announced in April, when it was stated that the government was working out a plan so that food allotments from Canada and the United States, upon which Newfoundland is dependent, could be equitably distributed among the various local importers.

Stocks of barrelled beef and pork, which are of importance to fishermen and residents of outpost districts, have been frozen, as has canned meat, for issue from importers and wholesalers by permit. Thus allocation of the limited supply to areas where it is most needed, the woods and mines for instance, and to men outfitting for the fisheries, will be ensured.

Some cooked corned beef will be kept for fishermen and for the use of residents in areas where fresh meat is nearly unobtainable.

Maximum allowable purchases of molasses, prescribed under the honor system sugar rationing scheme which began Feb. 1, were 70% of last year's consumption. On April 16, however, the restrictions were relaxed somewhat, owing to an improvement in the situation. Housewives since that time have been allowed to purchase as much molasses as they need. Sugar quota is still one pound per person per week.

The tea ration was previously set at two ounces per person per week, but it was recently decided that this amount is inadequate for men working in the woods, often under difficult and exhausting conditions, and a special provision of half an ounce per week for men engaged in such work is now allowed.

Coffee Rationed

Coffee rationing, also under the honor system, has become necessary only recently. The weekly allowance is four ounces per person with the added proviso that rations of tea and coffee may not be purchased in the same week.

In the balance of 1943, a tapering off period is foreseen in the general boom Newfoundland has been experiencing under war conditions.

Even if the phenomenal prosperity of 1942 cannot be maintained, conditions, it is felt, will still be good in comparison with the year immediately preceding the war.

Some of the slack will be taken up by men returning to the fisheries and to logging operations.

But for the present, Newfoundland's main problem is not to find work for its people, but to increase domestic production of foodstuffs to the greatest extent possible. Unless there is some improvement in the supply position, the inflationary trends now evident may reach dangerous proportions.

In the early days of its history, Newfoundland offered a welcome haven to fishermen from Europe for the drying of their cod catch, and cod, dried in the sun, is still one of the island's leading industries.

Fine Enlistment Record In Island War Effort

One of Newfoundland's major contributions to the allied war effort has been its fine record of the enlistment of its young men in the armed forces. The following compilation, made by the St. John's Daily News and covering the period approximately to the end of 1942, speaks for itself.

TOTAL ENLISTMENTS

Enlisted in Royal Navy in Newfoundland and gone overseas	2,889
Enlisted in Royal Artillery in Newfoundland and gone overseas	1,603
Enlisted in Royal Air Force in Newfoundland and gone to Canada and overseas	347
Enlisted in Canadian armed forces, all branches, here and Canada	*466
Enlisted in Newfoundland Militia for home and overseas service	970
Enlisted in Newfoundland overseas forestry units altogether	3,553
Enlisted in Merchant Navy through Newfoundland Railway and Furness Withy	*800
Total recruited	10,633
Total rejected	*4,000
Grand total	14,633

*Approximate.

ROYAL NAVY

Sent overseas	2,889
Killed, died or missing	262
Prisoners of war	5
Discharged	145
STILL SERVING	2,477

ROYAL ARTILLERY

Sent overseas	1,708
Killed or died	14
Prisoner of war	1
Discharged	151
STILL SERVING	1,542

ROYAL AIR FORCE

Sent to Canada and overseas	347
Killed or missing	48
Prisoners of war	11
Discharged	17
STILL SERVING	271

MERCHANT NAVY

(Newfoundland Railway)

Total recruited	477
Returned home	175
Killed in action	43
Repatriated	33
Joined R. C. N.	7
Accidentally drowned	6
Accidentally killed	1
Joined Forestry unit	6
Joined Royal Navy	3
Died	2
Prisoner of war	1
STILL SERVING	200

FORESTRY UNITS

Total recruited	3,558
Returned and discharged	1,486
Joined forces	554
Left unit or dismissed	14
Died in U. K.	21
Married in U. K.	108
STILL SERVING	1,348

NEWFOUNDLAND MILITIA

Total enlisted	970
Joined Royal Artillery	218
Joined Royal Navy	1
Joined Royal Air Force	2
Joined RCAF	5
Joined Canadian Army	3
On appointment to Commission	12
Discharged	112
Died on active service	3
STILL SERVING	614
(Furness Withy) STILL SERVING	*300
Total Still Serving	6,752

*Approximate.

NEWFOUNDLAND CASUALTIES

Royal Navy	262
Merchant Navy	101
Royal Air Force	48
Canadian forces	19
Royal Artillery	14
Newfoundland Militia	3
Total	447

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Labrador

Labrador Returns to Spotlight

War Focuses New Attention to Important Area

The prime reason for the reawakened outside interest in Labrador is the highly important place it has taken in global strategy. While many think of Labrador as a forbidding land of snow, ice and fog, actually some of its areas have been proved highly suitable for mass flying operations. Some localities are said to approach Texas in respect to 100% flying weather.

This condition has made Labrador an ideal base for ferrying bombers and long-range fighters across to the United Kingdom. Establishment of these air bases has meant a violent change in the Labrador ways of living. Into the area came Americans and Canadians to hammer out flying fields, set up new establishments and bring modern conveniences that never before had touched the shores of Labrador.

Before the war Labrador had a population of around 5,000 white and half-breed settlers, Eskimos and Indians, most of whom eked out a precarious living by fishing in summer and trapping in winter. These people lived in 150 settlements spread out along a thousand miles of coastline. Transportation was by boat in summer and by dog sled in winter, as roads were non-existent. Prior to 1941 there was only one motor truck and one tractor in the entire country, and these two vehicles operated on a quarter mile strip of roadway built around a Grenfell Mission Post.

Location of highly strategic air bases in Labrador has stirred up considerable interest over Canada's position in regard to this area. Labrador has experienced a marked economic betterment due to military installations there. For further development it offers potentially rich resources in minerals, power, forests and fishing. Based on wartime experience it should also play a part in postwar aviation development.

City Grows

One of the largest communities in Labrador was at Northwest River which boasted a population of some 100 persons, a Hudson's Bay Company trading post and a Grenfell Mission station. Now, less than two hours by air from Northwest River, there is a modern city in Labrador, with automobiles, electric lights and modern plumbing. Over 100 miles of highway has been laid out. Airports have runways capable of accommodating the biggest ocean flying airplanes, while the space for further expansion of these facilities is said to be unlimited.

The establishment of Labrador air facilities has made possible the freighting in of all types of fresh foods, along with a regular air mail service. Ordinarily Labrador residents get mail twice a year.

The situation has naturally had a very marked effect on the people of Labrador. In peacetime they made their living through trading with the Hudson's Bay Company and their lives were a constant battle against the vagaries of nature.

The Canadian and American "invasion" meant a tremendous change. The people of Labrador saw not only how the airplane could annihilate time and space, but they have also derived considerable benefit in the material sense from the construction of huge air bases. Men who had formerly been accustomed to a bitter struggle for livelihood now found work on construction gangs at the rate of $4 a day—to many, a higher income than they had ever known. To take advantage of this situation, the Labrador men and boys left their trap lines to get this work which meant that they could earn as much in two months as they formerly might have in a whole year.

Postwar Influence

The impact of wartime necessity may have a considerable importance for Labrador in the postwar days. Not only has the establishment of vital air bases in Labrador immensely speeded up the tempo of living there, but it has also abundantly proved the place of this territory in postwar aviation. The geographical location and the climatic conditions of Labrador should stand it in good stead when the lines of commercial postwar aviation are drawn.

For instance, Labrador is known to have potentially important mineral resources. At the present time these resources are being investigated most prominently by the Labrador Mining & Exploration Co., a Canadian organization affiliated with the Hollinger enterprise. This company has a concession from the Newfoundland Government of 20,000 square miles adjoining the watershed of Labrador and Quebec.

While work by this company has disclosed highly interesting showings of copper, cobalt and manganese, its most interesting work is being pursued in connection with iron ore deposits. Preliminary development here has shown the iron ore to be high grade hematite averaging about 65% in iron with practically no sulphur and less than .04 phosphorus. Development of this section follows upon a report made in 1939 by Dr. A. K. Leith for Pickands Mather & Co., Cleveland, which said:

"The amount of ore now indicated and the ease with which discoveries have been made compare very favorably with the relatively low rate of discovery of ores in the Lake Superior iron ranges in the early days. As a result we are inclined to feel that future exploration, in a large part carried on as mining proceeds and after a railroad has reached the region, may eventually develop the reserves of iron ore commensurate with those of Michigan and Wisconsin ranges in the Lake Superior region."

Timber Wealth

Perhaps the most obvious natural resource of Labrador is its wealth of timber, about half of the entire country being wooded and with half of this acreage estimated to be covered with commercially usable timber. Around the time of the 1927 Privy Council decision, which awarded Labrador to Newfoundland, a Canadian engaged before the Privy Council valued the timber lands at $250 millions. Development of these rich timber resources could be aided by the deep penetration into the country of navigable rivers.

On their own account the rivers of Labrador offer other important possibilities. One of the best known sources of potential waterpower in Labrador is the Grand Falls. This torrent of water has a drop of 160 feet higher than Niagara Falls. For about a mile before it reaches the falls there is a rushing river that is fed by water from an area 100 miles square that is 90% lakes and streams. The spray of the falls can be seen for 50 miles from an airplane. Not far distant from Grand Falls are the Twin Falls which are also believed to be capable of developing considerable electric power.

In addition to this Labrador has its fisheries. Most prominent in this connection is the wealth of cod fish which appears on its shores and to which Newfoundlanders have been accustomed to travel annually. Its rivers are plentifully stocked with salmon and other fish. Aside from the commercial possibilities, the fishing resources of Labrador open the prospect of the country inviting a considerable inflow of tourist trade. Coupled with the excellent fishing in this connection would be hunting as well as the thrill of exploring unknown territory.

Within the past few months Labrador has returned to the spotlight of international attention, a position it had not occupied for some years. Canada had a direct connection with this resumption of interest, which was stirred up by enquiries from Quebec's Premier Godbout and other French-Canadians as to the possibility of securing return to the Dominion of that portion of Labrador which was awarded to Newfoundland by the decision of the Privy Council in 1927.

Prime Minister Mackenzie King set the record straight on what procedure would be followed should Canada seek to re-incorporate any part of Labrador into the Dominion. In the House of Commons, Mr. King replied to the question in these words:

"I rise not to answer the question in any way, but rather to say to my honorable friend, I am inclined to believe the citizens of Newfoundland rather resent the idea that Labrador belongs to the British Government; they regard Labrador as belonging to Newfoundland.

"Should it come to a question of our Dominion seeking at any time to secure Labrador, I am sure the people of Newfoundland would expect that the negotiations in the first instance would be with their government rather than with the British Government."

—National Film Board photo.

The island of Newfoundland has long been the last important port of call for aircraft heading for Europe. Now Newfoundland's mainland territory of Labrador is proving equally important. Here is an anti-aircraft gun at mighty Goose airport in Labrador.

New Outlook in Postwar Seen for Newfoundland

War Prosperity Not Permanent in Itself; Future of Small Countries Depends on New Moral Concept Among Nations

By D. R. THISTLE
President, Newfoundland Board of Trade

As distinct from Canada, the economic effect of war on Newfoundland has been more accidental than planned. Our war effort, apart from granting bases and important concessions to friendly nations in the interests of strategy, has been largely to enlist men, in record proportions we are told, for service in the British Army, Navy, Air Force and Merchant Marine. We have also lent money interest free and made pecuniary grants to England but we have not been able to produce what I might call "war-wealth." By this I mean, not the medium of exchange for goods and services, but the finished scientific utensils for the conduct of war, for the production of which in large quantity a non-industrial country must transform itself.

Because Canada has been able to do this in addition to raising large forces, her war program has been most inspiring and, it is obvious, the effect of this policy in postwar years can be nothing short of profound. Canada has produced "war-wealth" in abundance and the means employed for doing so have created, in potential form, the machinery, skill and organization for a "peace-wealth" greater than would have been possible without the urging of a national crisis and the readiness of a determined people to count no sacrifice too great for winning the war and at the same time using the inspiration of the war period to assure that, for their country at least, victory shall not be a negative achievement.

Economic Background

Economic ills such as have beset Newfoundland for many years are the basic cause of war when they are suffered overlong by a large body of people perhaps less imbued with the high moral tradition for which the British race is known. At the end of the present conflict the treatment of these ills still remains before us, though the circumstances of isolation in which they grew should be greatly improved.

As if in compensation for long poverty, conditions of war strategy have brought a new prosperity to Newfoundland, but it is the prosperity of a household boarding rich uncles (actually an uncle and a cousin) who will stay with us until their great and bustling business is finished. We are glad to have these relatives because they have much useful work for us to do. We watch how efficiently they go about their business and plan to copy them in our small affairs, after they are gone.

Unique Position

Our war effort, therefore, has been unlike that of Canada, and I think that fact should be remembered when peace comes. We should be careful not to regard ourselves, in our elation after victory, as a conquering nation whose exercise in war has developed the strength for wealth in peace as Canada has, but as a contributor to victory whose common sacrifice and identity of purpose with greater nations has merited respect and the opportunity to develop without restraint by tariff or the other endless devices which, in pre-war times, forced opposing self-contained and individual treatments by all nations of an ill not individual or sectional, but general, which, like an epidemic, no man can end merely by striving to cure himself.

Until recent years, the world has never seen the moral force which war can muster. There is a moral substitute for war and if the same strength can be brought behind it, there can be no limit to the accomplishments of human society. That substitute is welfare in the broadest and most inclusive sense. Welfare for all nations should not remain a moral too abstract to receive the same support as a just war, or be regarded as impractical when, as a sound business principle—if as an age-old Christian principle it it unacceptable—it can be set forth by the great modern means of persuasion, before all the world.

Upon the acquisition, internationally, of a new moral concept, which in reality is as old as truth, together with intelligent planning for themselves, depends the future happiness and prosperity of all small countries.

United Towns Electric Expands by $400,000

United Towns Electric carried out during 1942 total plant additions of around $400,000, financed partly by the sale of bonds, with the balance coming out of earnings. The system now operates six hydro-electric plants on Avalon and Burin peninsulas with a total capacity of over 10,000 horsepower.

A new plant of 1,000 horsepower was recently put into operation at St. Lawrence to take care of the increased demands from that area, chiefly from the fluorspar mines.

No Changed Status For Job Brothers

No change in the status of Job Brothers & Co., important Newfoundland business house, will result from the recent severance of this company's connection with the Hudson's Bay Co. according to officials. After many years of close association between the two organizations, the Hudson's Bay Co. recently sold all its shares in Job Brothers, These shares were sold to a company known as Job Newfoundland Co. Ltd., whose shareholders consist of the Job family along with W. F. Hutchinson and H. A. Russell, both of whom are directors of Job Brothers.

Management of the company and the status of its shareholders will remain unchanged.

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Tourist Trade

Look For Tourist Boom

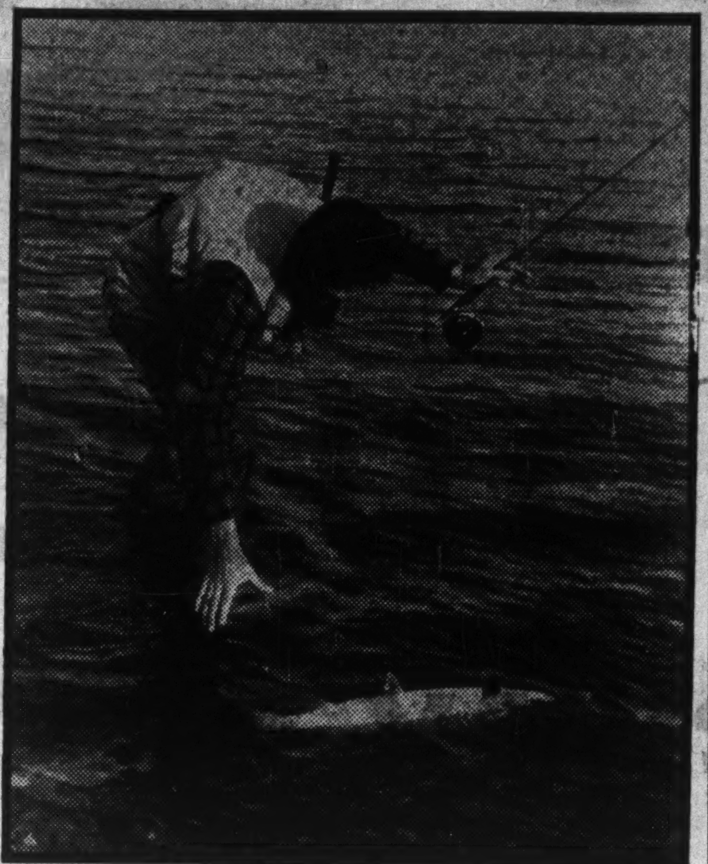
Attractions Boosted by Wartime Visitors

Newfoundland today is not looking for tourist business; there is too much emphasis on pushing the war effort to give much thought to pleasure travel. However, the fact exists that the island's substantial tourist attractions are building up for themselves a reputation that may very well result in heavily increased traffic when the world once again turns its thoughts toward the lighter things of life.

For many thousands of people Newfoundland is indeed living up to its name—is truly a new found land. Today's wartime visitors will carry the story of the island to their friends at home, will help to put Newfoundland on the tourist map.

Prior to 1939 there were many who discovered for themselves the scenic beauties, the sport and recreation attractions of the island. However, Newfoundland's tourist trade did not reach high proportions because of the drawbacks of inadequate transportation and accommodation facilities along with the general unawareness of the island's attributes.

Many new factors will influence postwar island travel, and the Newfoundland Tourist Trade Development Board has already begun to plan a constructive program for that time.



Newfoundland's streams prove an angler's paradise, and within a few minutes of the principal centres the fisherman can catch such beauties as this 12-pound salmon.

Many Visitors

Since war's beginning Newfoundland has seen the influx of thousands of new faces—men and women, in the uniforms of all branches of the services of the United Kingdom, from Canada and the United States, all visitors to Britain's oldest colony. These newcomers have lived side by side with Newfoundlanders, formed friendships with them, some have even married there. These new friends and visitors are expected to be missionaries of goodwill for Newfoundland when the days of peace return.

The extensive military, air and naval bases that have been established on the island by Canada and the United States represent an expenditure of millions of dollars. It is held to be likely that with such an investment in Newfoundland both of these neighboring countries will maintain a continued uninterrupted flow of interest in the island.

Air Service Important

Another highly important move has been inauguration of a daily air service. This service has been in operation for a little over a year and has brought Newfoundland to the very doorstep of Canada and the United States. No longer, so far as the summer recreational season is concerned, does one have to think in terms of days to reach Newfoundland; passage can now be reckoned in terms of just a few hours. In addition, there are good indications that Newfoundland in the postwar days will play a highly important part in world air travel, being a crossroads of the air routes between Europe and America.

Thus, the outlook for future travel to the Island is considered good. There are still the old factors that have made Newfoundland a unique and unspoiled travel spot. There is still the unrivalled beauty and grandeur of the island's rugged coastline with its picturesque and entrancing bays, coves and inlets; the panoramic splendor of the island's mountains and valleys.

Sporting Attractions

Newfoundland has more to offer than mere scenic beauty. Its network of inland waters abound with sporting salmon and game trout. There is a veritable sportsman's paradise in the wide stretches of moorland and wild, unspoiled regions where the ptarmigan, snipe, wild duck, wild geese and other game birds thrive.

Beyond all this there is still that quaintness of custom and charm of peaceful surroundings which appeal so much to the visitors who already know well the innate spirit of hospitality which is a characteristic of the people of Newfoundland.

War has given a new impetus to enlarging the scope of Newfoundland's invitation to prospective visitors and the island is preparing to meet its new friends in ever-increasing numbers. Plans are afoot to increase and improve transportation facilities; construct and equip, with all modern conveniences, hotels and recreational centres; repair and renovate existing accommodations, providing more comfortable and up-to-date cabins, lodges and camps; reorganize game warden and guide services; make accessible by new road construction new areas of scenic and sports interest.

In these ways Newfoundland is proving itself very much alive to the real opportunities that should be available for postwar tourist trade. The island has many unique attributes that recommend themselves highly to the travellers who are constantly seeking new vacation lands.

Air Service

T.C.A. Speeds Communication

Provides Vital Link to Mainland

The value of speedy communications between Newfoundland and Canada was given dramatic emphasis last December when the Knights of Columbus hut in Saint John's was destroyed by fire. For the relief of the many injured in that catastrophe large shipments of plasma for blood transfusions and other medical supplies were rushed by Trans-Canada Air Lines from Montreal, Toronto, Winnipeg and other centres. Going by air express, the emergency materials were in St. John's at noon the day following the night they left.

Put into effect by treaty arrangement between the Government of Canada and the Newfoundland Commission of Government as a wartime measure, the Canada-Newfoundland service inaugurated by Trans-Canada Air Lines a year ago has proved to be a successful operation. It arose out of a demand for a closer contact between the island and the mainland, and from the beginning planes have been carrying capacity passenger loads almost every month, with waiting lists of reservations made sometimes two and three weeks in advance.

The passenger load factor, 84% for 1942, is the highest on the TCA system. During five months of 1942 it was better than 90%. Air mail and express loads have also been satisfactory.

When the service began on May 1, 1942, after several weeks of familiarization flights, one round trip a day was provided. By November, it was necessary to increase this to two trips.

Planes now leave Moncton, N.B., daily at 7 a.m. and 10.40 a.m., reaching St. John's, Newfoundland, at 12.20 p.m. and 4 p.m. In the opposite direction, planes depart from St. John's at 1.15 p.m. and 5 p.m., landing at Moncton at 5.45 p.m. and 9.30 p.m. Connections are made with planes to Halifax and westward in the transcontinental service to Montreal, Ottawa, Toronto, Winnipeg and Vancouver. The route, 730 miles long, is by way of Sydney, N.S., 223 miles from Moncton.

The flight takes five hours, as compared with 65 hours by rail and steamer, when connections are made.

War Traffic

Between 70 and 90% of the travellers using the air passenger service are on military duty or are contractors or men actively in war work in some capacity.

Extension of the TCA service to Newfoundland has brought the island even more closely into the orbit of Canada and the United States. Either through air mail or through personal visits it is possible for the Newfoundlander today to consummate important wartime business in a fraction of the time that it took previously. This development is of prime importance in the further development of Newfoundland.

It is becoming increasingly apparent that in the days after the war Newfoundland will have much to gain by maintaining a close relationship with Canada and the United States. To develop the island's resources will require a substantial amount of capital for some of which, at least, it will probably be necessary to go to the island's neighbors. The easy availability of Newfoundland by air as compared with the rail and water route should mean an increase of outside interest in the island and the rapid travel facilities now available to and from Newfoundland should serve to spread much more quickly the story of Newfoundland's potentialities.

Wartime necessities have proved the importance of speedy communications between Newfoundland and the mainland. The same should hold true in the postwar days.

Introduction of the TCA service to Newfoundland has given to many islanders visions of the future where passengers and freight will be swiftly hauled by air to inland and distant coastal points. The development of Newfoundland has been greatly deterred by lack of internal communications. Most of the country's road system is located in the Avalon Peninsula in the southeast radiating from St. John's. There is a single railway line that winds its way for some 550 miles between St. John's in the southeast corner of the island and Port aux Basques in the southwest corner. Air service would, therefore, seem to have real possibilities for supplementing existing Newfoundland travel facilities to a very important extent.

This would not only benefit Newfoundland, from a strictly commercial standpoint, but could also prove a boon to tourist travel. In the postwar days the footloose tourist will find that TCA service puts him within easy reach of Newfoundland's many sporting attractions and unspoiled scenic beauty.

United Nail Output High

Operations of United Nail & Foundry Co. have continued at a high rate of capacity. This has been due very largely to defense construction work coupled with the generally increased purchasing power of the Newfoundland people.

The company has been carrying out considerable work in connection with ship repairs and has been making a heavy quantity of castings for the British and Canadian navies and the Newfoundland Railway.

During the past year there has been an increasing concentration of production of war materials. The variety of articles manufactured by the company was considerably reduced because of the difficulty of obtaining such items as nickel, steel sheets, enamel, bolts and metal of all kinds. Fully half the line of stoves which the company made a year ago has been cut out; the manufacture of cast iron has been discontinued for the duration along with such things as fence railings, art castings, etc.

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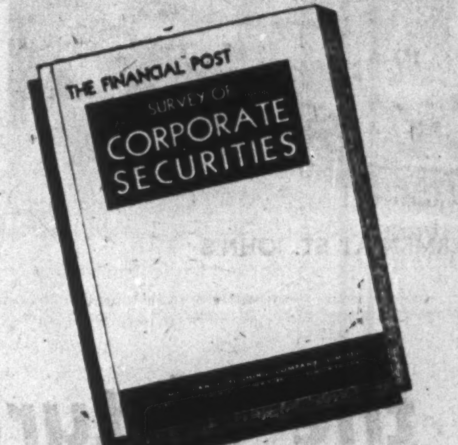

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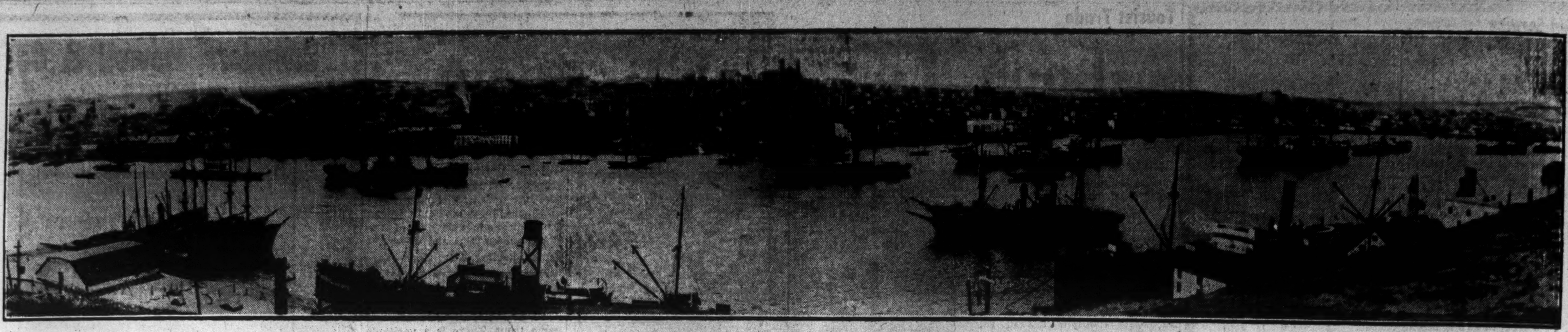


NEWFOUNDLAND

Vital Gateway of the Atlantic

UNITED IN EMPIRE'S GREAT WAR EFFORT From the day that war broke out, the people of Newfoundland have unanimously and wholeheartedly entered into its prosecution with loyal zeal. Out of all proportion to its limited population, its young men have enlisted for service. In increasing numbers, they have gone to England to join the active forces, while a large representation is in Canada, training under the British Commonwealth Air Training Plan.

An especially high percentage of Newfoundlanders — born in the traditions of the sea — are in the Royal Navy, though many others are in the Army and Air Force. Prominent in this service is a group of 1,450 experienced loggers comprising the Newfoundland Overseas Forestry Unit.

Altogether Newfoundland has joined in the conflict as an integral part of the British Empire — with upwards of 10,000 volunteers overseas.

GREAT NAVAL AND AIR BASES BEING BUILT BY THE U. S. A.

The mutual agreement between Great Britain and the United States, whereby the latter extended Western Hemisphere defence, not only released tonnage to Great Britain but assured the Empire of full development of naval and air bases on this side of the Atlantic.

Newfoundland is the strategic gateway in the Atlantic and was among the first sites chosen for adequate defence.

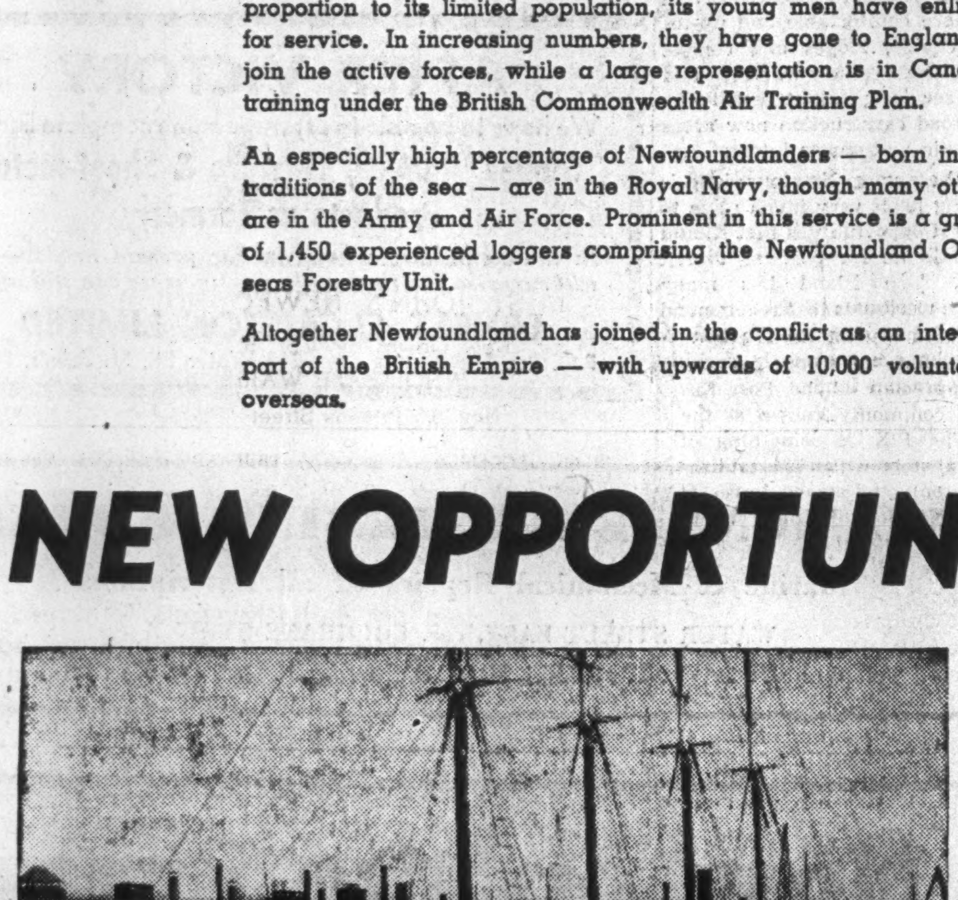
With the complete co-operation of Newfoundland, the U.S.A. has been hastening its construction here of one of the world's outstanding bases, from which British and American ships and planes will operate in the defence of democracy.

ITS CONTRIBUTION TO WAR ECONOMY In addition to the great part played by Newfoundland in providing men for service in the cause of the United Nations, the Island has made a wonderful effort in the realm of finance.

Not only has Newfoundland succeeded in balancing her budget, but by increased taxation, coupled with the higher earnings of her people, she has contributed considerable sums as interest free loans to the Government of the United Kingdom. She has also made similar loans to the United Kingdom out of the proceeds of the sale of War Savings Certificates, apart from an outright gift of half a million dollars for the purchase of a squadron of Defiant Aircraft.

Newfoundland's major industries: the fisheries, which supply valuable foodstuffs; the forests, from which pulp and paper are produced; the mines, from which metals of the highest value to the Allied Cause are won, have continued to play their part in the economic prosecution of the war. Many of these products have been sold to the United States and produced much needed dollars for the British Empire.

NEW OPPORTUNITIES FOR CAPITAL INVESTMENT



GRAND BANKS FISHERMEN AT ST. JOHN'S

FROM THE SEA

For three centuries the framework of Newfoundland's industrial life was the country's fisheries, and it is likely to dominate for many years to come. The Newfoundland and Labrador waters continue to yield rich harvests of fish. Codfish, the world's best, is the major product, but many other species contribute to the total catch. The salmon fishery is a growing and healthy industry; developments are also taking place in the herring industry; sealing activities yield a substantial return, while the haddock, halibut and lobster harvests are also of much importance.

BIG FALLS ON SERPENTINE RIVER

Among the Natural Resources of Britain's Oldest Colony

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FROM THE FOREST

Newfoundland and Labrador constitute one of the largest remaining sources of pulp timber in the world. Thus far this wealth has been exploited largely by two large paper organizations which have assumed a most important place in the island's business. In value of production, newsprint surpasses all other Newfoundland industries and its further successful development is one of the potential bright spots on the country's industrial horizon.

Newfoundland is a land of great natural wealth and opportunity. Her financial integrity is assured, indeed this has the financial support of the United Kingdom herself. She looks to those who possess in combination the financial means and the power of initiative to join with her in deriving profit from her development.

For further information communicate with

FROM THE GROUND

In Newfoundland are situated the world-famous lead-zinc-copper mine at Buchans, and, at Bell Island, one of the largest known iron ore deposits of the world. Fluorspar, limestone and pyrophyllite are also produced and exported in increasing quantities. Deposits of gold, molybdenite, copper, sulphur and other minerals offer attractive opportunities for exploratory work. The Geological Survey is actively engaged in investigatng the resources of the island and seeking opportunities for their development. Ready at the command of those interested in developing Newfoundland's natural resources is almost unlimited power.

Government Offices - - St. John's, Newfoundland

Social Service

Education Makes Big Advance

Act Establishes Free, Compulsory Teaching on Island

Newfoundland took a big step forward in 1942 in the educational field with institution of free and compulsory education. On Sept. 1, 1942, the School Attendance Act came into effect to mark another milestone in Newfoundland's development.

The Act establishes the principle that no child should be denied his right to an elementary education because of the inability of his parents to pay school fees. Up to the time of implementing this measure there was no compulsory education in Newfoundland and a quarterly fee ranging from $1 to $3 per pupil was charged.

Despite some difficulties, the new education system has worked out fairly well and the experience gained in its administration during the past two months should prove valuable in making it even more efficient in the future. One of the biggest problems has been the fact that a good part of Newfoundland's population is scattered along the coast in comparatively small settlements. Thus, to a good many children schools are either nonexistent or very difficult to reach.

In the more settled places it has been found in some cases that school accommodation is inadequate with overcrowding resulting. This situation is particularly marked in St. John's. Government educational officials are striving to combat this condition and several new schools are being erected. This type of construction either completed or under way or planned for St. John's is expected to afford sufficient accommodation to meet the requirements of the next 10 to 15 years, assuming a normal increase in school population.

Teachers Scarce

Still another problem has been that of the teacher supply. The great majority of Newfoundland's 2,000 teachers are paid less than $800 a year and one result has been that they have gone to work in the base construction camps, in business or in other departments of the civil service. Many have also joined the armed forces. The result has been the necessity to appoint fairly large numbers of comparatively inexperienced teachers to fill the gap.

The primary object of the School Attendance Act is to enroll on school registers all children between seven and 13 years of age. It places upon the parent the obligation of enrolling such children in all settlements where school accommodation is available within reasonable distance, also of keeping them in regular attendance at school except under circumstances which justify their absence.

It is hoped by educational officials that the measure will do much to eliminate the last vestiges of illiteracy in Newfoundland. It has been estimated that of the some 60,000 children of school age around 6,000 have not been attending school at all.

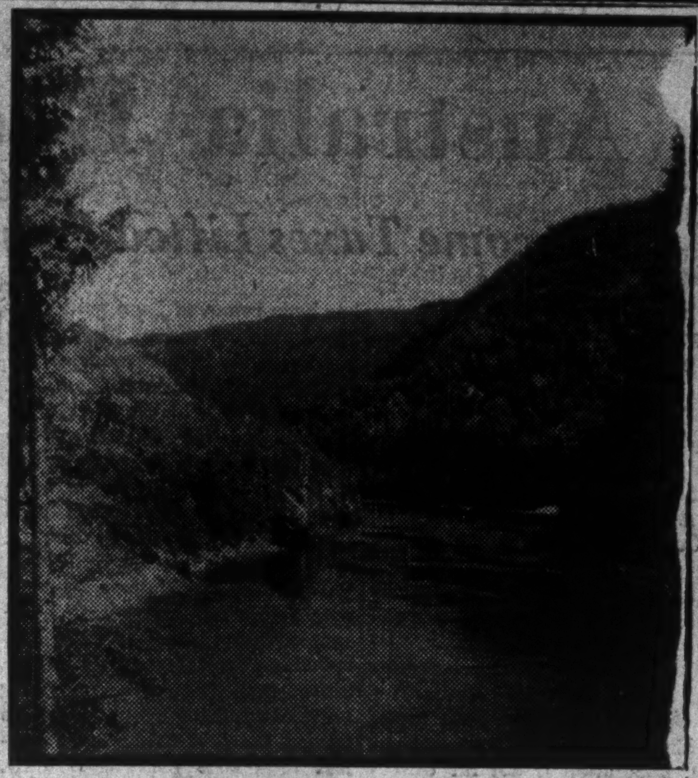
The Act allows the parent to enroll his child at any school of his selection. Newfoundland operates the denominational system of education carried out largely through church facilities. No parent is compelled by the Act to send his child to a school of another denomination than his own. However, the Act does not forbid him to do so if he should wish.

No Evasion

How a specific case would work out is explained by Hon. H. A. Winter, K.C., Commissioner for Home Affairs and Education, this way:

"Let us take the specific case of, say, the Church of England father of a boy of eight who is not attending school. If a Church of England school is available and can take the boy, he must be enrolled there unless the father prefers, and is able to send him to, say, a United Church school. If no Church of England school is within distance or the one that is cannot accommodate him, he cannot be made to go to any school. But in that case if the United Church school is available, every encouragement will be offered the father to send his boy to it. Finally, if the United Church school is full, and the Church of England school is not, he cannot deliberately select the former so as to evade enrollment in his own school."

The finer details of the educational plan are still being worked out, since the project is still in the experimental stage. However, it is receiving the wholehearted support of the Newfoundland press and public which augurs well for its future success. While economic conditions in the past have prevented some Newfoundlanders from acquiring as much formal education as they desired there is plenty of evidence that the people of the island are very deeply concerned over improving their educational standards. This condition is particularly evident in the outposts, where the people of the settlements have built and maintained their schools with their own hands.



This scene shows three of Newfoundland's important assets, standing timber, water power, and the natural beauty of the country that will again attract the tourists after the war is ended.

Work of Trade Head Important

The increasing importance of Newfoundland to Canadian business was recognized about a year ago through the appointment of R. P. Bower as Canadian Trade Commissioner to Newfoundland. This post had been closed since 1920.

Mr. Bower has had twelve years of experience with the Commercial Intelligence Service of Canada, previously having served as assistant Canadian Trade Commissioner in Rotterdam, Batavia, Java, Auckland and Sydney. He works under the general direction of Hon. C. J. Burchell, High Commissioner for Canada in Newfoundland.

Anglo-Nfld. Output Eases

Operations of Anglo-Newfoundland Development Co., an important island producer of pulp and paper, were on a capacity basis during the early part of 1942, but it was found necessary late in the first half of the year to curtail output due to the shipping situation.

Scarcity of labor in the woods brought about a further reduction in the summer months.

War priorities have held new installation of equipment and new construction at a minimum. However, additional equipment has been added in the sulphite mill and machine room, and a second unit has been installed to cut down screening waste.

Transport Problem

The heavy demand on Newfoundland Railway facilities for movement of defense supplies continued throughout 1942, hampering transport of pulpwood by rail. Only two thirds of the expected quantity was delivered. It is believed that still less will move in 1943.

Anglo-Newfoundland Development controls Terra Nova Properties which holds a 50% interest in Buchans Mine, Newfoundland base metals producer. The heavy demand for labor on defense projects hit Buchans Mine heavily in 1942, it is understood, particularly in regard to skilled labor.

Tonnage mined and milled showed a resultant drop of 8% compared to previous years and a drop of approximately 7% in concentrate output.

At the end of 1941 the company employed some 3,250 people, and paid a yearly payroll of some $4.5 millions.

Rehabilitation Planned For Returned Forces

A wartime step undertaken by the Newfoundland Department of Education has been the recent establishment of a vocational training service intended primarily for the benefit of the members of the island's fighting forces after their discharge from duty. The training offered through these facilities will be adapted to the men's individual abilities and will be designed to help them as fully as possible to rehabilitate themselves in the postwar days.

American Forces

U. S. Troops Stand Ready

American "Invaders" Help Transform Island

On January 29, 1941, when the United States was still at peace, the transport Edmund B. Alexander nosed through the narrow entrance into the harbor of St. John's with its first contingent of American soldiers. That was the first American expeditionary force to be sent out since World War I.

For two and a half years keen, alert American fighting men, along with their Canadian comrades, have stood on guard in Newfoundland. During that period these "invaders" have transformed the land which they occupy under 99 year leases from peaceful Newfoundland hills and shoreline into trim military barracks, sprawling airfields and deep water naval stations.

The vast amount of construction that has been necessary for the American Army and Naval bases has been a substantial factor in bringing improved business conditions to the island.

American Contractors

The Newfoundland base contractors are made up of four American construction companies which had to obtain and ship thousands of tons of construction material and obtain the help of thousands of carpenters, brick layers, truck drivers, laborers and all the other classifications of skilled and unskilled labor essential to a giant construction project.

These companies brought many qualified Americans from their homes in the United States to assist in the various jobs in different parts of Newfoundland. One important part of the task was getting large numbers of Newfoundlanders who were unacquainted with American construction methods and training them to these methods.

Leave Fisheries

As a result of the comparatively high rate of pay available at the American bases along with other opportunities, many Newfoundlanders left their accustomed employment in the fisheries and in other lines of trade and business to speed these defense projects. This resulted in the fact that many thousands of Newfoundlanders obtained a sudden and very substantial increase in their income which has been reflected during the past couple of years in a very high rate of business activity on the island.

Employment on the military and naval bases, however, has had a significance which exceeds its immediate importance of increased prosperity for the island as a whole. Many Newfoundlanders, through this work, have become first class tradesmen, an event which under ordinary circumstances would probably have been rather unlikely. This experience and newly learned ability should stand them in good stead in the postwar years.

Like Americans

The American armed forces on the island are received by the Newfoundlanders with a very warm hospitality. Hardly a public social affair is held without men of the U. S. Army or Navy in attendance. The soldiers do not take long to become acclimatized to the island's customs. Since the drivers in Newfoundland keep to the left of the road, the American bases have adopted that custom. The American troops are paid in Newfoundland currency, and they have become quite used to the small nickels and to the twenty cent pieces, which are often called "shillings." The sight of an occasional American coin or bill is enough to cause some comment.

Since January, 1941, there have been many marriages between American soldiers and Newfoundland girls. The couple often makes its home with the girl's family, and thus the soldier is taken rignt into local life. In addition, many other boys are being invited into the homes of Newfoundlanders regularly.

Wartime regulations, of course, prevent any detailed report on military or naval bases in Newfoundland today but one of the best known U. S. Army camps is Fort Pepperell, this condition being due to the fact that it is located close to the capital city of St. John's on the shores of Quidi Vidi Lake.

Fort Pepperell is a well constructed little city with military briskness and efficiency apparent in every line of its design. This post is to serve as a permanent base for the U. S. Army.

Due to its intended permanency, Fort Pepperell has many provisions for the comforts and welfare of the troops stationed there. By some standards the spacious and well-equipped messes, sleeping quarters and recreational facilities would be classed as luxurious. The barracks are a self-contained home for the men, even to a tailor repair shop and barber shop. There is no need to go outside of the post for anything.

Appreciate P.X.

One feature of the Fort Pepperell post which the troops particularly appreciate is the Post Exchange, commonly known as the P.X. The P.X. is something of a general store which is established to supply the armed forces at the lowest possible prices with articles of ordinary use and wear which are not supplied by the government. Any profits derived from the operations of the P.X. are returned to the organizations in the form of dividends based on the strength of each individual organization.

Health Services Doing Good Job

The public health services of Newfoundland since the start of the war have been paying particular attention to guarding against any increase in tuberculosis which might have been fostered by crowded war conditions. This campaign is now one of the major activities of the nursing service. Home visits to patients of this type approximate 10,000 in one year.

In four years the death rate for the city of St. John's decreased from 190.6 to 153.6. An important factor in this decline has been the persistent teaching of preventive measures to the people in their own homes by the departmental nurses.

This activity is only one phase of services which extend into virtually every corner of the Island. The nursing service now has 12 cottage hospitals, one hospital ship and comprises 16 public health nursing districts for tuberculosis, two nursing stations and 35 nursing districts.

Harbor Grace Plant To Process Codfish

The Harbor Grace premises of W. & J. Moores Ltd., of Carbonear is to be used for the processing of codfish, for production of fresh and frozen fillets.

The plant will serve the whole of Conception Bay with a market for cod from the boat and cash payments for the same. It is expected that the plant will give the fishermen of the district time either to catch more fish or to work on their land.

Phone Facilities Mobilized in War

Wartime demands have placed a heavy burden on the telephone facilities of Newfoundland. During 1942 the Avalon Telephone Co. handled 35,000,000 telephone calls, five million more than during 1941.

A large number of calls are necessarily made by military and civil defense authorities, whose requirements receive priority over all other calls.

Plant extensions by the company have been restricted due to the difficulty of obtaining equipment even for urgent war purposes. This made it necessary to discontinue all installations except for absolutely essential services and to restrict the use of material for maintenance and repairs as much as possible without impairing the service.

Around 11,500 telephones are now in service, of which 10,000 are in St. John's. When the Avalon company took over the system in 1919 there were 800 telephones in service.

During the past year, radio telephone service was extended to the Corner Brook area and has materially speeded communication to that area. Burin Peninsula, the Grand Falls area and the Corner Brook area are now all linked with each other as well as with St. John's, Canada and the United States.

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Taxes and Mining

Australia Boosts Its Gold

All Income Taxes Lifted From Gold Mining For Duration

By GORDON M. GRANT

With Hon. Robert Laurier, Ontario Mines Minister, adding his voice to the mining industry cry that high taxes are gradually draining mining's lifeblood, the question comes up: How does mining taxation in Canada stack up with that elsewhere?

Conditions under which mining is carried on vary greatly from country to country. There is no country where conditions are exactly analogous to Canada.

But in Australia we have a country which has many similarities to Canada—gold and base metal mining are both relatively important, population is not far different, half the national income goes for war, etc.—and Australian views on mining taxation in wartime are consequently of considerable interest to Canadians.

Even under the threat of invasion, Australia has taken active steps to encourage mining of gold. Encouragement extended to the gold mining industry has even exceeded that for base and strategic minerals.

Income Taxes Lifted

By special arrangement between the Commonwealth and various state governments, all income tax has been removed from gold mining—both for company income and for dividends in the hands of the shareholder. A bullion tax of half the value by which the price of gold exceeds £9 Australian has been levied, but this works out at only about $2.50 an ounce compared with an estimated $5 to $6 an ounce of gold mining taxation in Canada.

Gold mines in Canada start off with a 40% minimum normal and excess profits tax (less a third allowed as capital return) and on top of this, older mines also pay 100% of anything by which profits exceed the 1936-39 average (subject to a 20% postwar refund), while newer gold mines must pay an extra tax of $1.40 to $1.50 an ounce above the 40% of profits.

Gold Mining Utopia

With no federal or state profit taxes whatever, Australia might be termed a tax Utopia for gold mining. Most of the individual states, including New South Wales, Victoria, Queensland, South Australia, have withdrawn entirely from taxation of mining. When Western Australia levied a 7% pre-war profits tax, a company was allowed to deduct all its expenditures on development, options, etc., before calculating its tax.

Withdrawal of Canadian provinces from the corporation tax field hasn't removed the province (and the municipality) from the taxation of corporate profits here. In Ontario, the largest mining province, there is a mining tax which varies from 3 to 6% of profits over $10,000, the rate depending on size of profits.

A milling allowance of 50 cents a ton is made in determining taxable income for this tax.

Quebec levies a straight 4% on profits over $10,000. No milling allowance is made and Dominion taxes aren't allowed as a deduction in working out what companies must pay. Part of the Ontario tax in practice is paid over to mining municipalities. Other provinces have mining taxes and a royalty is payable in the North West Territories.

Adding provincial - municipal profits taxation to Dominion taxation, many Canadian gold mines are taxed close to 50% of profits. Some newer gold mines must even pay a profits tax when no profit is realized!

The only thing in Canada comparable to the Australian exemption of gold mining dividends from personal income tax is the 20% allowance on dividends for depletion or capital return. It is estimated that 50-65% of all gold mining dividends received by the shareholders in Canada is taxed away by the personal income tax.

Australia Aids Strategics

Australia exempts 20% of the profit on producing strategic minerals whether the minerals are from new or old mines.

Taxation of base metal mines profits is assessed in a different way from Canada, 5% of capital employed being exempted from tax with profits over that taxed at a graduated rate up to 78%. When the 20% tax concession is considered inadequate an appeal can be made to a Board of Referees for a higher rate.

Canada exempts new strategic mineral producers from Excess Profits Tax for a period of three years but no concession is made to older producers except for the regulation depletion allowances of 33 1/3% for company income and 20% for personal income. Even these allowances are deceiving since it is impossible for more than 14.7% of mining earnings to reach the shareholder tax free as capital return under the present rates of Dominion tax.

Various states still have their taxes on strategic mineral producers but Queensland grants a special concession.

Australia's stress on big gold production is not a carryover from peacetime. It is a definite war policy just like increased gold production was a definite war policy here earlier in the war.

The Australian states have agreed to continue their exemption of gold income from taxation along with the Commonwealth for duration of the war and one year after. Gold mining in Australia, like Canada, gives a high yield on the basis of manpower required. This unquestionably is one of the factors behind Australia's policy of encouragement of gold mining.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.
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Ventures War Projects Reported Satisfactory

President Thayer Lindsley Gives Details on New Undertakings at Annual Meeting — Falconbridge Nickel Now at Full Capacity

Conditions are satisfactory both at established operations and new war projects, President Thayer Lindsley informed shareholders of Ventures Ltd. at their annual meeting. A new alumina process and iron ore discoveries were singled out as of unusual importance.

However, owing to the increasing difficulties of operating, returns to shareholders are expected to remain small until normal conditions are restored. A dividend of 10 cents a share was declared.

Falconbridge Steps Ahead

Falconbridge Nickel Mines, perhaps Ventures' largest single interest, is doing better, it was reported, with operations now at full capacity after the below normal first quarter.

La Luz Mines, operating in Central America, has secured sufficient supplies to permit continuing operations to the end of 1943.

Good ore conditions were stated by Mr. Lindsley to have been disclosed at Beattie, Coniaurum, Canadian Malartic, Matachewan and Hoyle Mines while the industrial operations at Fahralloy, Metal Hydrides, American Nepheline and International Titanium continue to make good progress.

Turning to war metal projects, Mr. Lindsley stated that it was expected nearly all of these would continue to operate after the war.

Worthy of special mention were:

Archibald Alumina Process—Developed by American Nepheline Corp. and now accepted by the U. S. Government as the outstanding method of producing alumina from clays and other low grade materials, with the War Production Board authorizing a plant at South Carolina to cost $2.6 millions.

A contract is being entered into with the Defense Plant Corp., it is revealed, under which construction costs, working capital and all other expenses will be provided. Ancor Corporation, the subsidiary unit, will be under no expense whatever, and will receive a small management fee.

Iron Deposits — Development of iron ores at the Josephine, Ruth and Strawhat groups in association with Sherritt Gordon Mines is stated to be equal in importance to the alumina development. Very large tonnages of good ore are reported opened up by drilling and underground work and it is expected that a plant will be installed at the Josephine with the assistance of Ottawa and Washington.

At the Adamson tungsten mine in California good tonnages of ore running 12 to 20 lb. tungstic oxide are stated to have been developed with the Metals Reserve Co. providing assistance for the property.

Calumet Mill Progresses

While work at the Calumet mine has been handicapped by the need to pioneer in a new district, mill construction will be completed in July. A substantial tonnage of zinc concentrates is expected from this property.

Metal Hydrides, Black Donald Graphite and the Chonta quicksilver operations are all expected to continue into the postwar period. Eureka and Valzinco, however, may have to depend on government assistance for a number of years, it is stated.

Japs Plan Court Fight Against Property Sale

Propose to Contest Compulsory Liquidation of Their B. C. Property by Government Decree; Raise Funds For Legal Battle

From Our Own Correspondent

VANCOUVER. — An interesting court case is indicated by the determination of some Japanese property holders, now in interior evacuation centres, to contest the right of the Canadian Government to dispose of their holdings of real estate on the coast.

The case will be carried to the Supreme Court of Canada if necessary, according to counsel for the Japs.

Meanwhile the alien property custodian is proceeding with the compulsory liquidation.

Contributions toward legal costs of the case are said to be most numerous from the Japanese now working in the beet sugar fields of Alberta. Each property owner is being asked to contribute 10% of his tax bill, with a down payment of 5% in cash.

Vancouver's "Little Tokyo" is now like a deserted village near the heart of the city. The buildings in many cases could be readily occupied by white tenants, except for the fact that the necessary reconditioning would cost so much that rentals would have to be increased.

Vessels Sold

The final report of the committee appointed to dispose of Japanese fishing vessels seized after Pearl Harbor, to the number of more than 1,000, shows these yielded a revenue of $1,423,181, nearly all of which was turned over to the Japanese or held in trust for them.

Japanese timber holdings are gradually being liquidated, although the alien property custodian is still retaining possession of debt-free timber at the north end of Vancouver Island formerly owned and operated by Japanese.

Many British Columbians hope that by disposing of Japanese property on the coast the postwar problem of Jap distribution in Canada will be simplified. While politicians, labor leaders and many businessmen are urging wholesale repatriation of Japanese after the war, it is pretty obvious that Canadian-born Japanese will remain in this country.

If they are scattered throughout the Dominion the problem of their assimilation will be less difficult. To return them to coastal British Columbia, on the other hand, would merely intensify the old problem, and sentiment against the Japanese on the west coast is naturally much more bitter than it was before Tokyo declared war.

Normetal Mining Corp. was hampered by a labor shortage the first quarter and tonnage of zinc-copper ore handled was down slightly from previous quarter. Limited development on three new levels below 2,000 ft. indicated results comparable to those on three levels above. Good copper ore has been intersected at the 2,600-ft. level. Estimated first quarter operating profit was $147,530.

Eldorado Gold Mines is changing its name to Eldorado Mining & Refining following approval of shareholders at the annual meeting held recently. The old name caused confusion in priority procedure as some people thought activities were connected with gold production rather than the turning out of radium and uranium.

The Week in Oils

From Our Own Correspondent

CALGARY. — Island-Pacific Oil Co., a B. C. company wholly-owned by Standard Oil of British Columbia, has joined the Alberta oil search with the acquisition of reservations totalling 120,000 acres in southeastern Alberta. The acreage block lies immediately north of the Montana border, in townships 1 and 2, ranges 13, 14, 15 and 16. The north border of the block adjoins large reservations held by Dominion Oil Co. The southwest corner of the block lies just two miles north of the Red Coulee oilfield.

The Island-Pacific block will be surveyed and geologized for the company by Dominion Oil Co., the new Canadian development subsidiary of Standard Oil of California—the Standard group which owns Standard of British Columbia, and hence also Island-Pacific.

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Plans "Slim Hole" Tests

Meanwhile, Dominion Oil Co. is drafting plans for a considerable number of "slim hole" wells on its reservations in southeastern Alberta. The company holds around 900,000 acres extending south from the Old Man River between Lethbridge-Taber, and in the Foremost area. These wells will be carried to the top of the Madison limestone, with likely depths 3,000 to 3,500 ft. Survey and geological parties are now in the field, working over these reservations, and well-sites will be staked as soon as sufficient information on structure has been secured.

• • •

New Taber Test

In the Taber Oil field area, Dominion Oil Co. this week staked location for another new test—Taber-C.P.R. No. 74-17-B. The well will be drilled in L.S.D. 5 17-9-16w4, quarter of a mile south of the unsuccessful Taber-C.P.R. 76-17-B, and little more than that distance east and south of the Taber-Province No. 1 producer, which is making around 200 bbls. of clean oil per day.

The new location will be drilled with the light rotary now at Dominion's Taber-Province No. 37-18-B, which was drilling last week end at 2,300 ft. with completion expected within a week.

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Extensive Survey Work

Supplementing the large-scale survey and exploration program now getting under way in Alberta for major and independent oil companies, the Dominion Government's Geological Survey Branch is continuing its survey and mapping program this year. Of some 40 survey and mapping parties being placed in the field 13 are assigned to Alberta for oil exploration.

The Alberta parties consist of six geological and seven topographical parties. In addition, a Hieland Exploration Co. seismic survey party, engaged by the Dominion Oil Controller's office, is working in the Wainwright area. Some of the geological survey parties, and the seismic survey party, are already in the field.

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North Turner Well

The Imperial Oil group has staked location for another new well in North Turner Valley. The well, Royalite No. 72, will be drilled in L.S.D. 15 22-20-3w5, quarter of a mile west of the Model 2 producer.

• • •

Imperial Oil Ltd. has taken up a reservation on crown lands in townships 44, 45, 46 and 47, ranges 11, 12, 13 and 14 west of the 4th meridian. The large area covered lies due south of the Viking and Kinsella gas fields and west of the Wainwright oil field and the Kinsella-Phillips No. 1 test. How much acreage is included in the Reservation is not yet known.

Anglo Canadian Oil Co. has also entered the Kinsella area, obtaining a 14,000-acre reservation on C.P.R. lands in township 46 ranges 11 and 12 (adjoining the Dominion Oil Co. reservation to the west), and a 12,000-acre reservation on C.P.R. lands in township 43 ranges 9 and 10 (immediately south of the General Pete, Kinsella reservation and the Kinsella-Phillips 1 well).

Submitted to, and Approved by Shareholders at Annual Meeting Held May 27, 1943.

CANADA MACHINERY CORPORATION, LIMITED

AND ITS WHOLLY OWNED SUBSIDIARY

SANDILANDS VALVE MANUFACTURING CO., LIMITED

Consolidated Balance Sheet, January 31st, 1943

ASSETS

Current Assets:			
Cash on hand and in bank		$ 50,396.60	
Accounts Receivable, less Bad Debts Reserve		233,263.54	
Investment in Company's own 4% Bonds, at cost		27,000.00	
Inventory, as determined and certified by the management, valued at factory cost for finished goods and goods in process and the lower of laid-down cost or market for raw materials and supplies		519,848.51	
Employees' balances re Victory Loan Subscriptions		10,062.30	
Prepaid Insurance, Accrued Revenue and Sundry Advances		13,109.60	$853,680.55
Life Insurance, Cash Surrender Value			1,096.00
Cash on Deposit for Redemption of Preferred Stock			2,900.00
Refundable Portion of Excess Profits Tax			26,217.97
Investment in and Advances to Subsidiary Company:			
Investment in Shares of Company		45,000.00	
Advances		58,566.75	103,566.75
Capital Assets:			
Land, Buildings, Machinery, Equipment, Patterns, Drawings, etc., at depreciated value as per appraisal of Canadian Appraisal Co. Limited, dated January, 1927, plus subsequent additions at cost, less disposals		1,767,516.57	
Less Reserve for Depreciation		1,133,076.27	634,440.30
Other Assets:			
Goodwill, Patents, Trademarks etc.		1.00	
Discount on Bonds and Convertible Notes		39,071.50	39,072.50
			$1,660,976.07

LIABILITIES

Current Liabilities:			
Bank Loan		$ 68,142.90	
Accounts Payable		137,317.96	
Deposits by Customers on Unfilled Orders		70,224.61	
Bond Interest Accrued		7,900.00	
Accrued Expenses		26,026.14	
Provision for Income and Excess Profits Taxes	$265,261.71		
Less Payments on Account	86,000.00	179,261.71	$488,873.32
First Mortgage and Collateral Trust Bonds:			
4% Serial Bonds dated November 1st, 1940, maturing $30,000.00 on each 1st November, 1943 to 1945 inclusive		90,000.00	
5% Sinking Fund Bonds maturing November 1st, 1954		200,000.00	290,000.00
6% Convertible Notes maturing November 1st, 1955			300,000.00
Capital Stock:			
Authorized:			
312 shares 7% Non-Cumulative Preferred Stock, $100.00 each:			
50,000 shares Common Stock, No Par Value:			
Issued:			
29 Preferred Shares		2,900.00	
26,000 Common Shares		111,000.00	113,900.00
Surplus:			
Earned Surplus		437,002.75	
Capital Surplus		31,200.00	468,202.75
			$1,660,976.07

Contingent Liability:

The provision for excess profits tax has been calculated after the application of an inventory reserve as permitted by the Act, which reserve is neither recorded in the books nor included in the above statement.

Approved on behalf of the Board.
C. H. EASSON, Director. J. G. GIBSON, Director.

Consolidated Profit and Loss Account, Year Ended January 31st, 1943

Operating Profit before providing for the following items			$535,646.09
Deduct:			
Provision for Depreciation		$135,156.49	
Executive Salaries and Legal Fees		24,837.19	
Other Directors' Remuneration		3,150.00	
Interest on Bonds and Convertible Notes		32,500.00	
Amortization of Discount on Bonds and Convertible Notes		4,214.25	199,857.93
Net Profit before undermentioned taxes			335,788.16
Deduct:			
Provision for Income and Excess Profits Taxes		$243,636.71	
Less Refundable Portion of Excess Profits Tax		26,217.97	217,418.74
Net Profit for Year			$118,369.42

Consolidated Earned Surplus Account, Year Ended January 31st, 1943

Surplus, January 31st, 1942			$348,016.59
Add:			
Net Profit for year		$118,369.42	
Profit on Disposal of Capital Assets		17,819.74	136,189.16
			$484,205.75
Deduct:			
Preferred Dividend		$ 203.00	
Common Dividends		26,000.00	
Provision for Additional Excess Profits Taxes, 1941 and 1942 periods		21,000.00	47,203.00
Surplus, January 31st, 1943			$437,002.75

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Canada Machinery Corporation, Limited, and of its subsidiary companies for the year ended January 31st, 1943, and have obtained all the information and explanations we have required. Provision has been made for income and excess profits taxes in an amount believed to be sufficient but the amount of this liability is subject to final assessment. We report that, in our opinion, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the companies whose accounts are consolidated therein, as at January 31st, 1943, according to the best of our information and the explanations given us, and as shown by their books.

Pursuant to Section 114 of the Companies Act, 1934, we report that the accounts of one subsidiary company, whose operations during the year were of a development nature, are not included in the consolidated figures.

(Signed) THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

Toronto, May 6th, 1943.